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LEGISLATIVE HISTORY

Public Law 202--82d Congress

Chapter 555--1st Session

H. J. Res. 341

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FLOOD REHABILITATION ACT, 1952: Appropriates to the Department of Agriculture, \$16,480,000 for the furnishing of services, materials and payments for conservation and land restoration measures, to enable the Secretary to carry out flood assistance and rehabilitation in agricultural areas damaged by floods and proclaimed as disaster areas. \$1,780,000 is made available for administrative expenses of the above program, with a provision that \$180,000 may be made available to State Extension Services to provide assistance. Appropriates \$1,960,000 for salaries and expenses, Soil Conservation Service, for emergency restoration of channel capacity in tributary stream channels and waterways, and related measures, affecting more than individual farms in the same flood areas. Provides an additional \$30,000,000 for the Disaster Loan Revolving Fund, Farmers Home Administration. Appropriates an additional \$5,000,000 for disaster relief and provides an additional \$60,000,000 for disaster loans through RFC.

SUMMARY AND INDEX OF H.J.Res.341

October 3, 1951 Mr. Norrell introduced H. J. Res. 341 which was referred to Committee on Appropriations.

House reported H. J. Res. 341 with amendments.
Print of bill as reported. (H. Rept. 1092)

October 4, 1951 House debated and passed H. J. Res. 341 as reported.

Referred to Senate Appropriation Committee

October 10, 1951 Hearings: Senate

October 16, 1951 Senate reported H. J. Res. 341 without amendments.
Print of bill as reported. (S. Rept. 961)

Made unfinished business.

October 17, 1951 Senate debated and passed H. J. Res. 341 without amendments.

October 24, 1951 Approved (Public Law 202, 82nd Congress).

5% limit not app.
615,000 shouldn't have
been there
appm. argument that
services, payments &
materials intended
be same as all?

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued Oct. 4, 1951

For actions of Oct. 3, 1951

82nd-1st, No. 185

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HIGHLIGHTS: House committee reported flood-relief appropriation measure. Senate debated health-education bill. Sens. Ferguson and Benton debated information security.

HOUSE

1. FLOOD RELIEF. The Appropriations Committee reported H. J. Res. 341, making appropriations for flood-stricken areas for the fiscal year 1952 (H. Rept. 1092) (p. 12836). The report recommends an appropriation of \$18,440,000 in addition to funds for the regular activities of the USDA "for restoration of productive capacity of farms through clearing sand, water, and debris from flooded lands, reestablishing pastures, stock water facilities, terraces and other conservation measures, and clearing tributary streams and waterways." Of this amount, \$16,480,000 was recommended for on-farm assistance and \$1,960,000 for restoration of streams and channels. An estimate of \$1,750,000 for grants to farm families was not allowed by the Committee.

The estimates included an item of \$34,810,000, submitted by the Office of Defense Mobilization, for indemnities to farmers but this was not allowed by the Committee.

The report also recommends (1) an appropriation of an additional \$30,000,000 to the Disaster Loan Revolving Fund of the Farmers Home Administration; (2) an appropriation of an additional \$5,000,000 to the President for disaster relief activities; and (3) an increase in the limitation on RFC disaster loans from \$40,000,000 to \$100,000,000 to provide funds to rehabilitate business and home owners, and extension from 10 to 20 years of the time limit fixed by law on loans for acquisition or construction of housing.

The Committee recommended that a Flood Disaster Administration as requested by the President not be created but that additional funds required to meet this problem be made available to the regular existing agencies of Government to supplement appropriations for regular activities now available in the disaster area.

The report states that the Committee considered carefully the problem of flood insurance but felt that several problems and difficulties would have to be resolved before any flood insurance program could be carried on successfully.

2. DEFENSE APPROPRIATIONS BILL, 1952. The conferees on this bill, H. R. 5054, were given until midnight last night, Oct. 3, to file their conference report (p. 12823).

3. **NEWSPRINT.** Received a report of the Special Subcommittee on Newsprint of the Interstate and Foreign Commerce Committee entitled "Newsprint Investigation--Canadian Supply" (H. Rept. 1093) (p. 12836).
4. **ELECTRIFICATION.** The Public Works Committee voted to report, but did not actually report, H. R. 4963, to authorize construction and maintenance of certain fuel-fired electric generating plants in order that the Interior Department may meet certain defense power requirements in the Pacific Northwest (p. D925).
5. **WATERWAYS.** The Public Works Committee voted to report, but did not actually report, H. R. 5218, for the improvement of the Mississippi River-Gulf outlet and the Mobile to New Orleans Intracoastal Waterway (p. D925).
6. **CUSTOMS SIMPLIFICATION.** The Rules Committee granted an open rule providing for two hours of general debate on H. R. 5505, the customs simplification bill (p. D925).

SENATE

7. **HEALTH.** Began debate on S. 337, providing for a 5-year program of grants and scholarships for education in medicine, public health, and nursing (pp. 12768-70, 12774-801, 12805-18).
8. **PRICE CONTROL.** Sen. Capehart submitted, for himself and others, an amendment in the nature of a substitute for S. 2170, to amend the price-control provisions of the Defense Production Act (p. 12766). It is expected that the bill will be debated today.
9. **INFORMATION.** Sen. Ferguson criticized the recent Executive order on classification of information, claiming it results in suppression of legitimate news (pp. 12770-1). Sen. Benton defended the objective of the order but recommended several modifications in the regulations in order to prevent information from being over-classified (pp. 12770-4).
10. **NOMINATION** of Jack Gorrie to be Chairman of the National Security Resources Board was received (p. 12821).
11. **FOREST AIRPORTS.** Received from this Department a proposed bill to permit the Forest Service to construct airports, for use in national forest administration, which are near national forests even if they are not within the boundaries of the forests ; to Interstate and Foreign Commerce Committee (pp. 12765-6).
12. **RURAL ELECTRIFICATION.** Sen. Wiley inserted and discussed a resolution of the Rural Electric Cooperative System of Wis. urging that adequate consideration be given to the needs of REA cooperatives in allocation of critical materials (p. 12766).

BILLS INTRODUCED

13. **NEWSPRINT.** H. R. 5575, by Rep. Roberts, Ala., to authorize RFC to make loans for construction of newsprint plants; to Banking and Currency Committee (p. 12836).
14. **APPROPRIATIONS.** H. R. 5576, by Rep. Weichel, Ohio, "relating to the spending and quarterly payment of appropriations for the executive branch"; to Appropriations Committee (p. 12836).

REHABILITATION OF FLOOD-STRICKEN AREAS

OCTOBER 3, 1951.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. NORRELL, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H. J. Res. 341]

The Committee on Appropriations submits the following report in explanation of the accompanying joint resolution making appropriations for flood disaster relief and rehabilitation.

The Committee has considered at length House Document No. 228, a message from the President of the United States relative to the recent flood disaster suffered in the Middle West and a budget request of \$400,000,000 for relief and rehabilitation in this disaster area. The President in four official declarations has defined the flood disaster area to include the States of Kansas, Missouri, Oklahoma, and certain counties in Illinois.

A special subcommittee held thorough and extensive hearings on this appropriation request beginning on Wednesday morning, September 19, 1951—less than 48 hours after all of the justifications and other supporting information required by law were received—and ending on Wednesday, September 26, 1951, after all who had requested to testify had been heard. Witnesses included the personal representative of the Director of the Office of Defense Mobilization, the Secretary of Agriculture, the Administrator of the Housing and Home Finance Agency, the Deputy Administrator of the Reconstruction Finance Corporation, and members of their respective staffs; the Governor of the State of Kansas and the official representatives of the governors of the States of Missouri, Oklahoma, and Illinois; interested Members

of Congress; the General Counsel of the National Board of Underwriters and the Executive Vice President of the America Fire Insurance Group of New York.

There is no question whatsoever in the minds of the Committee as to the seriousness and magnitude of the disaster or the suffering and damage which resulted from this flood. The loss to home owners, farmers, business and industry, and government is estimated at approximately 2½ billion dollars, and it is impossible to place any monetary value on the suffering and anxiety of victims of the flood. Among the most tragic losses are the completely destroyed or seriously damaged 45,000 urban and rural homes, crop losses, and the damaged farm lands, part of which can never be put back into production.

Many Federal agencies including the Department of Defense, the Corps of Engineers and the Coast Guard, moved into the disaster area with such speed that the loss of life among some 385,000 persons displaced by the flood water was remarkably low.

Altogether, more than 60 Federal agencies rendered assistance during the emergency, and all are providing rehabilitation assistance. This assistance embraces a wide variety of activities ranging from evacuation of the flood victims, distribution of food and medicine during the peak of the emergency and providing temporary housing, to furnishing of unemployment insurance and placement service to unemployed victims.

On July 18, 1951, Congress appropriated \$25,000,000 for direct relief in the disaster area, which amount has been supplemented by \$800,000 from the emergency funds of the President. The status of these funds on September 24, 1951 is as follows:

Total funds available-----		\$25, 800, 000
Amounts allocated to date:		
To Kansas for clean-up and rehabilitation-----	\$7, 075, 000	
To Missouri for clean-up and rehabilitation-----	2, 525, 000	
To Oklahoma for clean-up and rehabilitation-----	225, 000	
To Housing and Home Finance Agency for temporary housing-----	4, 250, 000	
To Department of Agriculture for livestock feeding-----	1, 000, 000	
To Federal Security Agency for medical and sanitary services-----	228, 600	
		<u>15, 328, 600</u>
Unallocated balance-----		<u>10, 471, 400</u>
The following additional requests for allocations are pending:		
Requested by Corps of Engineers-----	\$2, 800, 000	
Requested by State of Kansas-----	8, 000, 000	
Additional temporary housing-----	750, 000	
		<u>11, 550, 000</u>

The Committee recommends the following with respect to the various items covered by the estimate:

1. Appropriation of an additional \$18,440,000 to the regular activities of the Department of Agriculture for restoration of productive capacity of farms through clearing sand, water, and

debris from flooded lands, reestablishing pastures, stock water facilities, terraces and other conservation measures, and clearing tributary streams and waterways.

2. Appropriation of an additional \$30,000,000 to the Disaster Loan Revolving Fund of the Farmers Home Administration of the Department of Agriculture to provide funds to replace or repair farm homes, buildings, equipment, furnishings, livestock, etc. This will supplement \$13,000,000 now available from the Disaster Loan Fund, plus \$14,100,000 available from the regular FHA lending programs.

3. Appropriation of an additional \$5,000,000 for disaster relief activities to supplement the \$25,800,000 previously appropriated. This additional amount will be available for direct relief and rehabilitation activities in the area under the provisions of Public Law 875, Eighty-first Congress.

4. Increase of the limitation on RFC disaster loans from \$40,000,000 to \$100,000,000 to provide funds to rehabilitate business and home owners, and extension from 10 to 20 years of the time limit fixed by law on loans for acquisition or construction of housing. This will enable the RFC to make liberal loans to home owners whose property was destroyed or damaged by the flood and thereby restore their equity to the extent that they will be placed in position to obtain additional credit if needed from regularly established institutions that finance home construction.

The Committee believes that these recommendations will fully meet the needs of all classes of victims in the area—the farmer, the home owner, and the businessman. They represent a carefully worked out arrangement which will (1) make adequate credit available to all individuals and business concerns on the most liberal and generous terms through the Farmers Home Administration and the Reconstruction Finance Corporation; (2) restore the productivity of both agriculture and industry in the area; and (3) provide in excess of \$30,000,000 for relief activities and immediate rehabilitation assistance for the more destitute victims.

Subsequent to the submission of House Document 228 to the Congress on August 20, 1951, Public Law 139 was enacted, which authorizes the Federal National Mortgage Association to make advance commitments up to two hundred million dollars to purchase certain eligible mortgages including those covering housing for victims of a major disaster. The Association has allocated twenty five million dollars of this authorization for housing in the disaster area which will come from the fifty million dollars of purchasing authority that the Association reserved out of its general mortgage-purchasing authority in August of this year for housing for victims of the flood disaster.

With the funds provided in the accompanying resolution, together with amounts already available through presently authorized pro-

grams in existing agencies, total financial aid will be available to the disaster area as follows:

	Estimate	Recommended or otherwise available
Aid to farmers:		
On-farm assistance	\$16,480,000	\$16,480,000
Grants to farm families	1,750,000	
Restoration of streams	1,960,000	1,960,000
Indemnities	34,810,000	
Indemnities to home owners	60,000,000	
Indemnities to business and industry	75,000,000	
Disaster relief		30,800,000
Farm credit, Farmers Home Administration	30,000,000	57,100,000
Home owners' credit, Housing and Home Finance Agency	35,000,000	50,000,000
Commercial and industrial credit, Reconstruction Finance Corporation (also available to farmers and home owners where needed to supplement other specific programs)	95,000,000	101,250,000
Flood insurance revolving fund	50,000,000	
Grand total	400,000,000	257,590,000

FLOOD DISASTER ADMINISTRATION

The President's message proposed the establishment of a new agency to be known as the Flood Disaster Administration to administer the program. This was to be a small policy and control body which would coordinate the activities of the various Federal agencies for which funds were requested in the estimate. After a careful study of all problems involved in such an arrangement, the Committee recommends that the additional funds required to meet this problem be made available to the regular existing agencies of Government to supplement appropriations for regular activities now available in the disaster area.

The Committee was confronted with a most unsatisfactory and inadequate presentation of the entire proposal. At the time the estimate was submitted to Congress, August 20, no one was able to furnish any breakdown of the proposed appropriation of \$400,000,000 among the various purposes described in the general language of the estimate. This breakdown was not supplied until September 14, and then on an incomplete basis. On September 17, nearly a month after submission of the estimate, final data was submitted. Even then, however, it was wanting in many details, and agencies of the Government to which phases of the program were to be assigned were not informed as to what work they were to undertake nor as to what was expected of them in presenting material to the Committee. Some matters still remain unexplained, and the Committee is not yet informed as to which agencies would handle certain programs for which the Congress is requested to appropriate many millions of dollars.

The officials of the Office of Defense Mobilization, charged with responsibility for presenting the estimate and the President's program to the Committee were not fully informed as to what facilities for relief and rehabilitation were available in existing agencies of the Government under current law and the Committee found it necessary to get such information, in large part, direct from the agencies concerned. For example, in requesting additional authority and funds to be expended through the Reconstruction Finance Corporation, Mr.

Howse testified (p. 70 of the hearings) that the Reconstruction Finance Corporation "have certain legislative restrictions on their authority" whereas Mr. Bukowski of the RFC testified (p. 70 of the hearings) that not a single application for loan to date—and 840 applications have been approved—has been rejected because of legislative restriction. It was finally developed by the Committee that the RFC needed no change in its law except to extend the time for repayment of housing loans and this fact was brought out through inquiry by the Committee after the hearings had been concluded.

Testimony definitely established the fact that there is no legal authority for the appropriation of \$400,000,000 to a new and separate agency, as proposed in House Document 228. Therefore, the recommendations of the Committee are limited to the provision of funds to those agencies for which basic authority presently exists.

The Committee has been assured by the agencies concerned that the appropriations and increased authority recommended in the accompanying resolution are sufficient to enable them to expand during this emergency their presently authorized assistance and rehabilitation programs to meet the major needs of the disaster area on the basis of their present operations.

INDEMNIFICATION

The budget request includes a proposal to indemnify flood victims for physical loss of or damage to tangible real or personal property up to 80 percent of the amount of such loss, provided that the amount to be paid any one person submitting such a claim does not exceed \$20,000. The Committee heard considerable testimony on this recommendation, and after careful deliberation has not approved it for several important reasons.

Congress has never appropriated funds for indemnities such as have been proposed here in any previous disaster of this kind, and no legislation has ever been enacted by Congress authorizing such appropriations. This would be a major departure from the present concept of Government and, therefore, must be given more extensive study than is now possible under emergency conditions that demand prompt action on the part of the Congress. The Committee believes that the approval of the proposed indemnification program would commit the Federal Government to a new concept of Federal responsibility which would result in an almost unlimited number of claims from victims of every "Act of God" disaster throughout the country regardless of the type or size of the disaster. The financial implications inherent in such an action would be enormous.

The testimony developed the fact that the plans for putting such an indemnification program into effect were far from complete. None of the operating agencies concerned with the rehabilitation of the disaster area participated in the preparation of the estimate for this part of the budget request. At the time of the hearings the responsibility for administering the program had not been assigned to any agency, although the Reconstruction Finance Corporation was mentioned as a possibility in spite of the fact that this agency had not been advised of even the major details of the proposed program. None of the witnesses was able to give the Committee any satisfactory information with which it could evaluate the conditions and manner in which indemnification payments would be made.

The President stated in his message that his request for the emergency appropriation was based upon two factors: first, the humanitarian aspects of the disaster; and second, the need to restore the area to full production as rapidly as possible in view of the current defense effort. Yet, the principal witness, Colonel Howse, testified that indemnities would be paid principally to those flood victims who contribute directly to the defense effort, and that persons who suffered losses but were not connected with the defense effort would not be eligible for such indemnification, regardless of their need (p. 230 of the hearings).

No plans were submitted to the Committee in support of the proposed program of private debt adjustment, although this was presented as an important part of the justifications. Neither did the Committee receive any enlightenment on the manner in which relocation in areas not subject to recurring floods would be carried out.

FLOOD INSURANCE

The third part of the budget request contemplates the establishment of a government administered nation-wide flood insurance program for which an initial appropriation of fifty million dollars was requested.

The Committee has considered this proposal in unusual detail because of the far reaching effects, financial and otherwise, which could result from the inauguration of such a program. In testifying in support of this request, Colonel Howse admitted that no definite plans of any kind had been formulated, although he stated the matter was being investigated by the insurance companies.

In order to obtain first hand and complete information on the subject, the Committee devoted the last day of its hearings to a discussion of the flood insurance proposal with the General Counsel of the National Board of Fire Underwriters and the Executive Vice President of the American Fore Insurance Group of New York who is also chairman of a special committee of the Insurance Executives Association formed to study the problem of flood insurance or flood damage coverage.

In their testimony these witnesses discussed the following problems and difficulties which the Committee is convinced must be resolved before any flood insurance program such as is proposed here could be carried on successfully.

Property insurance of any kind is based upon the principle that the contributions of the many take care of the losses of the few. The reason why insurance companies have not been able to write insurance to protect property owners from flood damage throughout the country is that experience has indicated that flood insurance is sought only by those who are exposed to floods. Consequently, it is not possible to spread the risk sufficiently to avoid such high premiums, if the program is to be self-sustaining, that a property owner in the "danger area" would prefer to take his own risk.

The average annual losses from flood damage in the United States have been estimated anywhere from 100 to 500 million dollars, depending upon the definition of "flood damage". The estimated property loss in the "Kansas-Missouri Flood" is 2½ billion dollars or about equal to the total value of the free assets of the stock insurance companies which write property insurance in this country. Losses of

these proportions immediately raise the question of the adequacy of the fifty million dollars requested—or even 500 million dollars.

When asked what the results would be if the Federal Government were to require insurance companies to include flood coverage with other types of insurance, one of the witnesses pointed out that there are about 3,600 mutual insurance companies in the United States that confine themselves to intrastate business, and that these companies would write flood insurance only in those areas where there is a demand for such coverage. He stated further that, were the large stock companies which write insurance on a nation-wide basis required to write flood insurance, their rates would be loaded to the extent that they would be priced out of the market entirely whenever they came into competition with these small mutual companies, with the result that such a requirement would upset the entire insurance business industry.

COMPLIANCE WITH RULE XIII—CLAUSE 2 (A)

The following is submitted in compliance with clause 2 (A), of rule XIII:

(Pending Resolution)

On page 3, lines 8 to 16 inclusive, in connection with the Reconstruction Finance Corporation:

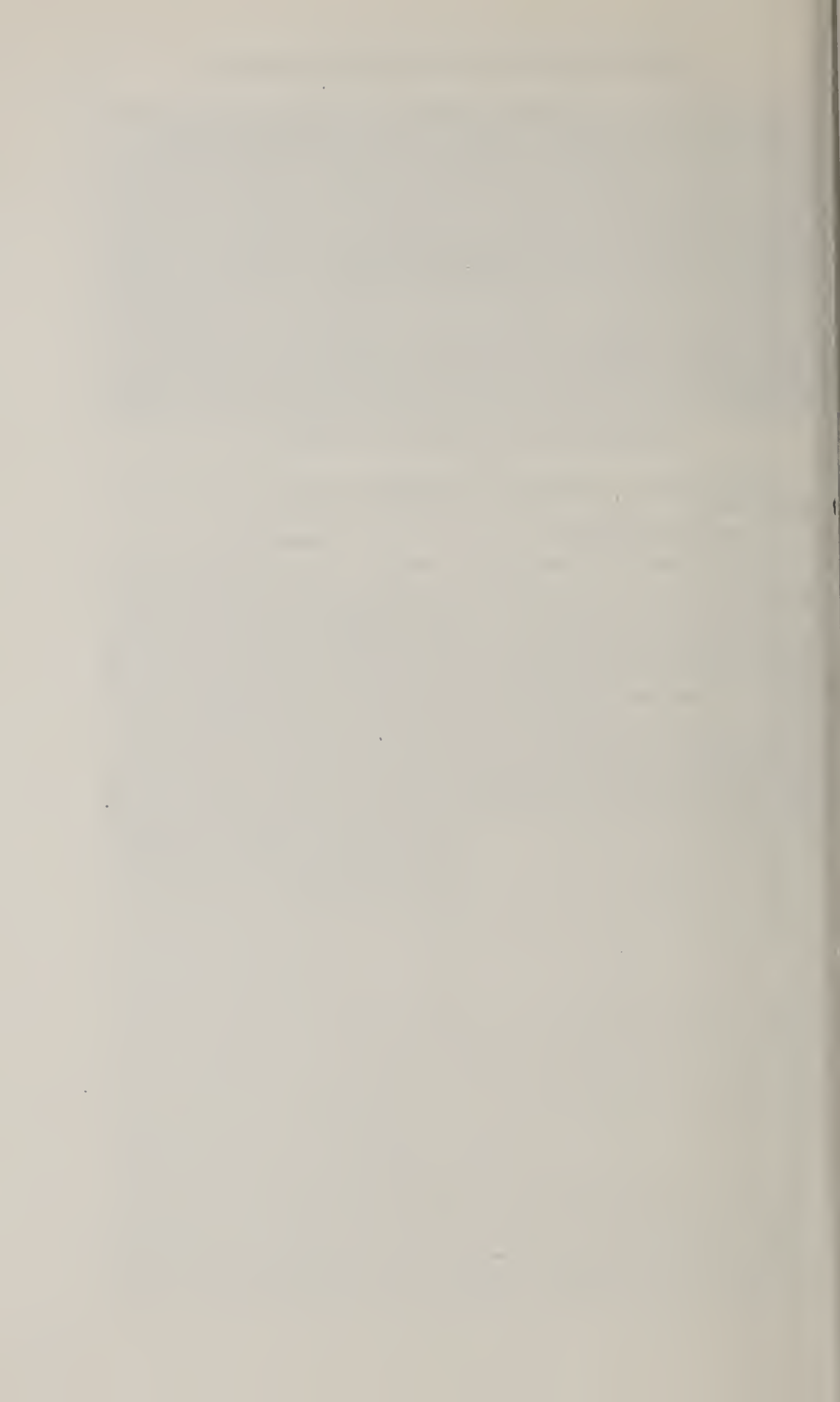
Section 4 (c) of the Reconstruction Finance Corporation Act, as amended, is hereby amended by striking out "\$40,000,000" and inserting in lieu thereof "\$100,000,000": Provided, That any loan, including renewal or extension thereof, under section 4 (a) (4) of such Act for acquisition or construction (including acquisition of site therefor) of housing for the personal occupancy of the applicant, may be for a period of not to exceed twenty years.

(Present Law)

SEC. 4 (e) The total amount of investments, loans, purchases, and commitments made subsequent to June 30, 1947, pursuant to section 4 shall not exceed \$1,500,000,000 outstanding at any one time: *Provided*, That the aggregate amount outstanding at any one time shall not exceed (1) under subsection (a) (4) \$40,000,000, (Acts of May 25, 1948 and June 29, 1948)

SEC. 4 (b) (2) No loan, including renewals or extensions thereof, may be made under sections 4 (a) (1), (2), and (4) for a period or periods exceeding ten years and no securities or obligations maturing more than ten years from date of purchase by the Corporation may be purchased thereunder: (Act of May 25, 1948)





82D CONGRESS
1ST SESSION

H. J. RES. 341

[Report No. 1092]

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 3, 1951

MR. NORRELL introduced the following joint resolution; which was referred to the Committee on Appropriations

OCTOBER 3, 1951

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

JOINT RESOLUTION

Making appropriations for rehabilitation of flood-stricken areas for the fiscal year 1952, and for other purposes.

1 *Resolved by the Senate and House of Representatives*
2 *of the United States of America in Congress assembled,*
3 That there is hereby appropriated, out of any money in the
4 Treasury not otherwise appropriated, for the fiscal year
5 ending June 30, 1952, the following sums:

6 DEPARTMENT OF AGRICULTURE

7 Conservation and use of agricultural land resources: For
8 an additional amount, \$16,480,000, including the furnishing
9 of services, materials, and payments for conservation and
10 land restoration measures, to enable the Secretary to carry out
11 flood assistance and rehabilitation in agricultural areas, dam-

1 aged by excessive rains, runoff, and floodwaters, design-
2 nated by the Secretary of Agriculture as disaster areas under
3 Public Law 38, approved April 6, 1949: *Provided*, That
4 this appropriation may be expended without regard to the
5 adjustments required under section 8 (e) of the Soil Con-
6 servation and Domestic Allotment Act (16 U. S. C. 590h)
7 and may be distributed among States without regard to other
8 provisions of law: *Provided further*, That the administrative
9 expense limitations provided under this appropriation item
10 in the Department of Agriculture Appropriation Act, 1952,
11 may be increased by not more than \$1,780,000, of which not
12 more than \$180,000 may be made available to State Extension
13 Services to provide assistance through the Cooperative
14 Agricultural Extension Service.

15 Soil Conservation Service: For an additional amount
16 for salaries and expenses, \$1,960,000, for emergency restoration
17 of channel capacity in tributary stream channels and
18 waterways, and related measures, affecting more than individual
19 farms, in agricultural areas, damaged by excessive
20 rains, runoff, and floodwaters, designated by the Secretary
21 of Agriculture as disaster areas under Public Law 38, approved
22 April 6, 1949.

23 Farmers Home Administration: For an additional

1 amount for the Disaster Loan Revolving Fund established
2 under Public Law 38, approved April 6, 1949, \$30,000,000.

3 DISASTER RELIEF

4 For an additional amount for "Disaster relief",
5 \$5,000,000.

6 RECONSTRUCTION FINANCE CORPORATION

7 Disaster loans: Section 4 (c) of the Reconstruction
8 Finance Corporation Act, as amended, is hereby amended
9 by striking out "\$40,000,000" and inserting in lieu thereof
10 "\$100,000,000": *Provided*, That any loan, including re-
11 newal or extension thereof, under section 4 (a) (4) of such
12 Act for acquisition or construction (including acquisition of
13 site therefor) of housing for the personal occupancy of the
14 applicant, may be made for a period of not to exceed twenty
15 years.

16 Administrative expenses: The amount authorized for
17 administrative expenses of the Reconstruction Finance Cor-
18 poration as set forth in the Supplemental Appropriation Act,
19 1952, is hereby increased to \$17,750,000.

20 SEC. 102. This Act may be cited as the "Flood Re-
21 habilitation Act, 1952".

82^d CONGRESS
1ST Session

H. J. RES. 341

[Report No. 1092]

JOINT RESOLUTION

Making appropriations for rehabilitation of
flood-stricken areas for the fiscal year 1952,
and for other purposes.

By Mr. NORRELL

OCTOBER 3, 1951

Referred to the Committee on Appropriations

OCTOBER 3, 1951

Committed to the Committee of the Whole House on
the State of the Union and ordered to be printed

he never lost the common touch. And I could fill a book with the deeds and talents and accomplishments of this noble gentleman.

Mr. Speaker, I remember when Gen. Douglas MacArthur spoke to the Congress. KARL STEFAN and I were sitting in the double seats just beyond the table there. After Gen. Douglas MacArthur finished speaking KARL said to me: "Is not it the greatest speech you have ever heard? Was it not a wonderful tribute to his fighting men?" And then he turned and said: "Enith, you are crying"; and I said: "KARL, so are you; you have tears in your eyes." Little did he realize that today Members would be crying inwardly if not outwardly over his passing, the passing of a great American, crying because of our loss, but rejoicing because of his life, the glory of his life, the Christianity in his life, his courage and sympathy for all in distress. I believe he had a happy life, but he had sadness in his life because of what had happened to the land where he was born, Bohemia. We had many talks about Bohemia and Bohemians and their desire for freedom, and his anxiety to have them free. He asked me many, many times if I could suggest anything to help.

I hope, Mr. Speaker, that the words of love and admiration that have been spoken today will be broadcast to Bohemia and to the nations of the world behind the iron curtain. He was greatly interested in having a broadcast go out to tell the people in the world what we in America stand for. His life and how he fought from the time he was a child to improve not only himself but also his country; think what a life, what an example it is. If every school in the country could have the history of KARL STEFAN's life, think what it would mean particularly to those just coming to our country from abroad, those growing up of foreign strains.

Mr. Speaker, I would be remiss if I did not speak of KARL STEFAN's great interest in our veterans. It was, I might say, one of the patterns of his life to see that they were cared for properly. Also, Mr. Speaker, I would be remiss if I did not speak of what KARL STEFAN did to help us. I am afraid many of us do not listen when people ask our advice, do not listen when they ask us to take up and vote for measures of vital interest to them and which they consider of vital interest for the country. KARL STEFAN in his great kindness and wisdom always listened and always helped whenever he could.

And think, Mr. Speaker, what a happy united couple he and his wife, Ida, were; what a united family was KARL STEFAN's, how they worked together as a family should, not for themselves but for their country. Our warmest sympathy goes to them in their bereavement. We all have lost a great friend.

KARL STEFAN, Mr. Speaker, has not died; he lives on in our minds and hearts and in the history of America.

Mr. CURTIS of Nebraska. Mr. Speaker, I yield to the gentlewoman from Illinois [Mrs. CHURCH].

Mrs. CHURCH. Mr. Speaker, I rise in tender tribute to KARL STEFAN.

The Stefans came in contact with this House when we did, at the beginning of the Seventy-fourth Congress; and from that moment forward he has been a stirring example of what an American in public office should be. Throughout the years it has been my privilege to work with him here; to know him on the city streets; to walk with him down the lanes of Europe; to know him as he worked on the Appropriations Committee; to question him when I needed help. Always there was in him quiet courage, high principle, and conviction. I cannot bear to think that he is gone. There seems so little that one can say about a wife like Ida Stefan. But I could not speak at a moment like this without once again reiterating my own faith that there is no death and that nothing of the good, nor of the greatness, nor of the strength, nor of the power, the spiritual force, that was brought forth in KARL STEFAN, could ever be taken from her or the country that he served.

When I arrived here very new in January, KARL STEFAN came over and sat down by my side and said: "Now, you know, I do not want to offer a lot of advice, but I would like to say to you that if ever you need anything just remember that I am here."

I rather think that that was the way KARL STEFAN walked through all of his life, that not only his friends but strangers whom he touched knew that if they were in need he would be there to help.

Then he pointed out to me that wonderful saying above the rostrum:

Let us develop the resources of our land, call forth its powers, build up its institutions, promote all of its great interests, and see whether we also in our day and generation may not perform something worthy to be remembered.

His own memorable performance will stand as a perpetual monument to KARL STEFAN. What he gave to his family, to his friends, and to his country can never be measured nor questioned, nor can it ever die. I am proud to call myself his friend and there is no one who will be able in all the paths in which he walked to fill his place.

Mr. CURTIS of Nebraska. Mr. Speaker, I yield to the gentleman from Maine [Mr. HALE].

Mr. HALE. Mr. Speaker, these days seem to come so very often. It was less than a month ago that I was standing in the well of the House speaking about a colleague from my own State. Now I have lost another friend.

KARL STEFAN came from the heart of old Europe and went to live in the heart of the new America. He certainly was completely American. There was nothing hyphenated about his Americanism, but he did bring from the Old World a comprehension, an understanding, and a knowledge which was valuable to us and which admirably illustrates, I think, the capacity which many have shown to make the transition from a home in the Old World to a home in the new.

I think there is a great deal of wisdom in the suggestion made by the gentle-

woman from Massachusetts that the tributes to KARL STEFAN should be made known to those who are still living in his old country. Many of you here were thrown into more intimate contact with KARL STEFAN than was I, but I always felt very strongly that whenever an appropriation bill was before the House I depended and relied necessarily on the members of the Appropriations Committee that had studied and handled that particular bill. Whenever that bill was a bill which came from KARL STEFAN's subcommittee I had an added confidence in my own judgment if it rested upon his, because he was a faithful, careful, prudent man, a conscientious and devoted legislator. To his qualities as a legislator he added the human attributes of a singularly sweet and gentle nature.

Somehow the music of Smetana's Moldau will always make me think of the man who came from that country to this and gave such fine service in this body.

Mr. CURTIS of Nebraska. Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. SITTLER].

Mr. SITTLER. Mr. Speaker, I speak from the further reaches of the overflow of KARL STEFAN's personality, to testify to the influence of a few of his many unremembered acts of friendship, for I am but a freshman in this House, and he was kind to me.

I did not know him intimately as have many who have spoken here today, but to the extent and for the brief time that I did know him he influenced me tremendously. The constant association with his memory will make me a better Member of this House. I therefore could not refrain from saying so at this solemn hour.

In my district there are many citizens whose roots of family and tradition are set in Bohemia, and whose love of America is like KARL's. They are intensely proud of the achievement that he made as one of their fellows. They are a great people, and they are proud of him. In their behalf, I express sympathy to his family, and offer to them and to us all this thought so well expressed by a poet whose name I do not now recall:

WHEN LIFE SEEMS ENDED ALL TOO SOON

Life held you fast,
And how you loved it, too!
You loved to touch and see and smell the
things of earth;
But came a day, when life with wistful fin-
gers, beckoned you away.
You did not halt, nor fear nor fall,
But straightway answered that strange lead
Into a land so beautiful, so new,
That could we call you back with one quick
word,
We would keep silent,
Yours is the gain, and ours the blessing too.
The world of things unfelt, unseen, unheard,
Is strangely friendly now,
Because you walk where we have never trod.
And sing the songs, the melodies of God.

Mr. CURTIS of Nebraska. Mr. Speaker, I yield to the gentleman from Missouri [Mr. ARMSTRONG].

Mr. ARMSTRONG. Mr. Speaker, the late KARL STEFAN was a kindly man, willing to go out of his way to be helpful to a colleague or friend. I recall that my

first meeting with him was on my visit to his office around 7 years ago, when I was working on an article concerning the Indian reservations. His greeting to me was "I shall be glad to help you in any way." As a result of his helpfulness, I visited an Indian reservation in his district, and obtained much valuable information.

Since coming to this body as a new Member last January, I took occasion to ask his suggestions and advice on several occasions. It will be remembered by my colleagues here that some weeks ago, on the occasion of consideration of the appropriation for the State Department, Mr. STEFAN made a most eloquent and thoughtful speech concerning the history and work of this Department, with statesmanlike suggestions as to the improvement of its functioning at home and abroad. Particularly was he interested in bringing all the activities of our Government in foreign lands under the supervision of the State Department. I joined with many Members of this House in congratulating him on this masterful address, and he thanked me heartily.

At the Japanese Peace Treaty conference in San Francisco recently, Mr. STEFAN was a most attentive member of the official delegation. At one of the recess periods during the conference, I again mentioned to him the effectiveness of his speech concerning the State Department, and told him that I would like to get from him some additional material to go into a study of the question of the functioning of the State Department which I am making. Again I heard his cheery words, "I shall be glad to help you in any way."

I join my colleagues of the House in this tribute to a great American, a great statesman, who has now been called to his reward. I shall always remember him as I knew him before I became a Member of this body and since, as a man who wanted always to be helpful to his fellow men.

Mr. CURTIS of Nebraska. Mr. Speaker, an intimate friend of Mr. STEFAN and a native of Nebraska, Mr. Sam Davenport, who is now employed by the House, has written a brief eulogy, which I ask unanimous consent be inserted at this point in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

KARL STEFAN, MEMBER OF CONGRESS, 1884-1951

KARL STEFAN lived 67 years?

He would have lived 67 years if he had been an ordinary man.

But KARL STEFAN was not an ordinary man. Born in Bohemia, he saw the land of his birth win freedom from Austrian slavery, live for a brief span as an independent republic, only to pass under the yoke of Communist serfdom.

As a member of the Philippine Constabulary, he saw the brave followers of Jose Rizal—lately liberated from Spanish servitude—prove their right to liberty under American guidance, and emerge as the free Republic of the Philippines.

As a Nebraskan, he saw his State grow from infant sovereignty into a solvent, prosperous and necessary component of the United States of America.

As an American, he served his people in Congress. He served no other people. He

sought, as a Member of the House Committee on Appropriations, to save money for Americans. With the Constitution as his guide, he strove to hold in check the cost of Government so that the Nation's debt might not weigh down the least of his countrymen.

He loved the United States. His words and deeds are admired by all true Americans. He loved Nebraska. All true Nebraskans revere his memory. He loved his friends. There is a niche in their hearts which none other may fill. He loved his wife, his daughter, his son. They love him.

A great man has gone to meet his God.

Mr. CURTIS of Nebraska. Mr. Speaker, I offer a resolution (H. Res. 444).

The Clerk read the resolution, as follows:

Resolved, That the House has heard with profound sorrow of the death of Hon. KARL STEFAN, a Representative from the State of Nebraska.

Resolved, That a committee of 11 Members of the House with such Members of the Senate as may be joined be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provision of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The resolution was agreed to.

The SPEAKER. The Chair appoints as members of the funeral committee on the part of the House Mr. CURTIS of Nebraska, Mr. CLEVINGER, Mr. JENSEN, Mr. HOEVEN, Mr. MILLER of Nebraska, Mr. ROONEY, Mr. PRESTON, Mr. SMITH of Kansas, Mr. FLOOD, Mr. WERDEL, and Mr. BUFFETT.

The Clerk will report the further resolution.

The Clerk read as follows:

Resolved, That as a further mark of respect the House do now adjourn.

The resolution was agreed to.

ADJOURNMENT

Accordingly (at 2 o'clock and 19 minutes p. m.), under its previous order, the House adjourned until tomorrow, Thursday, October 4, 1951, at 10 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

846. A letter from the President, Board of Commissioners, Government of the District of Columbia, transmitting a draft of a proposed bill entitled "A bill to amend the act entitled 'An act to create a board of accountability for the District of Columbia, and for other purposes,' approved February 17, 1923"; to the Committee on the District of Columbia.

847. A letter from the Archivist of the United States, transmitting a report on records proposed for disposal and lists or schedules covering records proposed for disposal by certain Government agencies; to the Committee on House Administration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk

for printing and reference to the proper calendar, as follows:

Mr. THOMAS: Committee on Appropriations. House Joint Resolution 340. Joint resolution making an appropriation for the Veterans' Administration for the fiscal year 1952; without amendment (Rept. No. 1091). Referred to the Committee of the Whole House on the State of the Union.

Mr. NORRELL: Committee on Appropriations. House Joint Resolution 341. Joint resolution making appropriations for rehabilitation of flood-stricken areas for the fiscal year 1952, and for other purposes; without amendment (Rept. No. 1092). Referred to the Committee of the Whole House on the State of the Union.

Mr. BECKWORTH: Committee on Interstate and Foreign Commerce. Report pursuant to House Resolution 116, Eighty-second Congress, first session. Resolution to direct the Committee on Interstate and Foreign Commerce to investigate actual and contemplated action affecting production or consumption of newsprint, or affecting certain other matters (Rept. No. 1093). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CELLER:

H. R. 5573. A bill to amend the Contract Settlement Act of 1944 and to abolish the Appeal Board of the Office of Contract Settlement; to the Committee on the Judiciary.

By Mr. CRUMPACKER:

H. R. 5574. A bill to amend the Selective Service Act of 1948, as amended by the Universal Military Training and Service Act of 1951, to provide for the release from active duty of certain inactive and volunteer reservists; to the Committee on Armed Services.

By Mr. ROBERTS:

H. R. 5575. A bill to authorize the Reconstruction Finance Corporation to make loans for the construction of newsprint plants; to the Committee on Banking and Currency.

By Mr. WEICHEL:

H. R. 5576. A bill relating to the spending and quarterly payment of appropriations for the executive branch of the Government, and for other purposes; to the Committee on Appropriations.

By Mr. VAN PELT:

H. R. 5577. A bill to declare that the United States holds certain lands in trust for the Stockbridge-Munsee Community, Inc., of the State of Wisconsin; to the Committee on Interior and Insular Affairs.

By Mr. BURDICK:

H. Con. Res. 166. Concurrent resolution setting aside the Charter of the United Nations as approved by the Senate under alleged treaty powers, which approval was unconstitutional and void; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARTLETT:

H. R. 5578. A bill for the relief of certain employees of the Alaska Railroad; to the Committee on the Judiciary.

By Mr. DOLLIVER:

H. R. 5579. A bill for the relief of Constantinos Christ Lagos; to the Committee on the Judiciary.

By Mr. JUDD:

H. R. 5580. A bill for the relief of Berta Gomes Leite; to the Committee on the Judiciary.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued Oct. 5, 1951
For actions of Oct. 4, 1951
82nd-1st, No. 186

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HIGHLIGHTS: House passed flood-relief appropriation and measures to increase road authorizations and authorize USDA land-title adjustments; did not pass unemployment insurance bill; Senate revised Capehart Amendment to Defense Production Act.

HOUSE

1. FLOOD-RELIEF APPROPRIATIONS. Passed as reported H. J. Res. 341, to provide relief for flood-stricken areas (pp. 12904-18). An amendment by Rep. Bolling, Mo. (pp. 12912-14) and an amendment by Rep. Scrivner, Kans. (pp. 12915-16), to provide for payment of losses in amounts of \$400,000,000 and \$100,000,000, respectively, were ruled out of order. Reps. Jensen and Whitten discussed the extent of availability of the ACP item in the proposed legislation (pp. 12914-5).
2. UNEMPLOYMENT INSURANCE. Voted not to pass H. R. 5118, to provide unemployment insurance for Federal civilian employees (pp. 12889-94). Although the vote on the bill was 197 yea, 140 nay, a two-thirds majority would have been necessary for passage, since the measure was brought up under a motion to suspend the rules. The bill can be considered again under regular procedure.
3. ROADS. Passed without amendment H. R. 5504, to increase the authorizations under the Federal-Aid Highway Act of 1950 by \$35,000,000 (p. 12889).
Passed without amendment H. R. 5257, to increase by \$10,000,000 the amount available for emergency repair or reconstruction of highways and bridges damaged by floods or other catastrophes (pp. 12888-9).
4. DEFENSE APPROPRIATION BILL, 1952. Received the conference report on this bill, H. R. 5054 (pp. 12944-6).
5. LAND TITLES. Passed as reported H. R. 3981, to authorize the Secretary of Agriculture to adjust titles to lands acquired by the U. S. which are subject to his administration, custody, or control, within a period of 20 years instead of a period of 10 years as provided in existing law (p. 12991).
6. RECLAMATION. Passed without amendment H. R. 2398, to remove the requirement that

the organization in connection with the Vermejo reclamation project be authorized to collect personal-property taxes (p. 12881).

7. LEGISLATIVE APPROPRIATION BILL, 1952. Both Houses agreed to the conference report on this bill, H. R. 4496, and acted on amendments which had been reported in disagreement (pp. 12875-6, 12862). This bill will now be sent to the President.
8. PATENTS. Passed as reported H. R. 4687, to provide for withholding of certain patents that might be detrimental to the national security (pp. 12881-4).
9. LANDS. Passed without amendment H. R. 4409, to enable the Hawaiian Homes Commission to exchange available lands in order to consolidate its holdings or to better effectuate the purposes of the law (p. 12885).
10. VIRGIN ISLANDS. H. R. 4027, to authorize a research and extension program in these Islands, was passed over at the request of Rep. Cunningham, Iowa (p. 12880).
11. CUSTOMS SIMPLIFICATION. The Rules Committee reported a resolution for consideration of H. R. 5505, to amend certain administrative provisions of the Tariff Act of 1930 and related laws (p. 12894).
12. TRANSPORTATION. Rep. Bryson, S. C., reviewed and commended the progress which is being made toward removing regional freight-rate discrimination (pp. 12950-1).
13. STEEL SHORTAGE. Rep. Keating, N. Y., spoke in favor of "disgorging surplus scrap" in order to alleviate the steel shortage (p. 12877).

SENATE

14. PRICE CONTROLS. Passed without amendment, by a vote of 49-21, S. 2170, to amend the Defense Production Act of 1950 as amended, revising the so-called Caphart Amendment to the Defense Production Act concerning methods for determining price ceilings for manufacturers and processors.
Prior to passage, the Senate rejected an amendment by Sen. Caphart in the nature of a substitute, by a vote of 28-44, and in effect rejected another amendment by Sen. Caphart amending the slaughtering quota provisions in the bill when it adopted a motion by Sen. Maybank to table Sen. Caphart's amendment (pp. 12845-6, 12850-4, 12856-61).
15. SUPPLEMENTAL APPROPRIATIONS BILL, 1952. The Appropriations Committee was authorized to file a report on this bill, H. R. 5215, during the recess (p. 12862). Sen. McFarland announced that this bill would be considered on the floor as soon as it is ready (p. 12864).
16. WATER; ELECTRIFICATION. Sen. Welker questioned statements previously made by Secretary Chapman and other Interior officials regarding a water shortage in the Northwest and said that in his opinion "there has been some tremendous pressure and lobbying put on the people of the Northwest to try to convince them that the river is low and that it will mean the building of new and greater dams throughout the country."
He intimated that he felt there might be some graft in the approval of a loan to the Harvey Machine Company for a new aluminum plant in Montana and called for an investigation of the activities of Jebby Davidson, former

82D CONGRESS
1ST SESSION

H. J. RES. 341

IN THE SENATE OF THE UNITED STATES

OCTOBER 4 (legislative day, OCTOBER 1), 1951

Read twice and referred to the Committee on Appropriations

JOINT RESOLUTION

Making appropriations for rehabilitation of flood-stricken areas
for the fiscal year 1952, and for other purposes.

1 *Resolved by the Senate and House of Representatives*
2 *of the United States of America in Congress assembled,*
3 That there is hereby appropriated, out of any money in the
4 Treasury not otherwise appropriated, for the fiscal year
5 ending June 30, 1952, the following sums:

6 DEPARTMENT OF AGRICULTURE

7 Conservation and use of agricultural land resources: For
8 an additional amount, \$16,480,000, including the furnishing
9 of services, materials, and payments for conservation and
10 land restoration measures, to enable the Secretary to carry out
11 flood assistance and rehabilitation in agricultural areas, dam-

1 aged by excessive rains, runoff, and floodwaters, desig-
2 nated by the Secretary of Agriculture as disaster areas under
3 Public Law 38, approved April 6, 1949: *Provided*, That
4 this appropriation may be expended without regard to the
5 adjustments required under section 8 (e) of the Soil Con-
6 servation and Domestic Allotment Act (16 U. S. C. 590h)
7 and may be distributed among States without regard to other
8 provisions of law: *Provided further*, That the administrative
9 expense limitations provided under this appropriation item
10 in the Department of Agriculture Appropriation Act, 1952,
11 may be increased by not more than \$1,780,000, of which not
12 more than \$180,000 may be made available to State Exten-
13 sion Services to provide assistance through the Cooperative
14 Agricultural Extension Service.

15 Soil Conservation Service: For an additional amount
16 for salaries and expenses, \$1,960,000, for emergency restora-
17 tion of channel capacity in tributary stream channels and
18 waterways, and related measures, affecting more than indi-
19 vidual farms, in agricultural areas, damaged by excessive
20 rains, runoff, and floodwaters, designated by the Secretary
21 of Agriculture as disaster areas under Public Law 38, ap-
22 proved April 6, 1949.

23 Farmers Home Administration: For an additional
24 amount for the Disaster Loan Revolving Fund established
25 under Public Law 38, approved April 6, 1949, \$30,000,000.

DISASTER RELIEF

For an additional amount for "Disaster relief",
\$5,000,000.

RECONSTRUCTION FINANCE CORPORATION

Disaster loans: Section 4 (c) of the Reconstruction Finance Corporation Act, as amended, is hereby amended by striking out "\$40,000,000" and inserting in lieu thereof "\$100,000,000": *Provided*, That any loan, including renewal or extension thereof, under section 4 (a) (4) of such Act for acquisition or construction (including acquisition of site therefor) of housing for the personal occupancy of the applicant, may be made for a period of not to exceed twenty years.

Administrative expenses: The amount authorized for administrative expenses of the Reconstruction Finance Corporation as set forth in the Supplemental Appropriation Act, 1952, is hereby increased to \$17,750,000.

SEC. 102. This Act may be cited as the "Flood Rehabilitation Act, 1952".

Passed the House of Representatives October 4, 1951.

Attest:

RALPH R. ROBERTS,

Clerk.

82ND CONGRESS
1ST SESSION

H. J. RES. 341

JOINT RESOLUTION

Making appropriations for rehabilitation of
flood-stricken areas for the fiscal year 1952,
and for other purposes.

OCTOBER 4 (legislative day, OCTOBER 1), 1951

Read twice and referred to the Committee on
Appropriations

charged from the revolver of a District of Columbia policeman, not acting within the scope of his authority, as a result of which she will be paralyzed for life: *Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendments:

Page 1, line 4, after the word "or", strike out everything through the word "appropriated" and substitute in lieu thereof: "funds of the District of Columbia."

Line 6, strike out "\$20,000" and insert in lieu thereof "\$15,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHARLES COOPER

The Clerk called the bill (S. 1713) for the relief of Charles Cooper.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Charles Cooper, of Winslow, Ariz., the sum of \$1,748.75, in full satisfaction of his claim against the United States for crop loss and for reimbursement of funds expended in the improvement of a reclamation homestead entry in the Yuma reclamation project, which entry was allowed by the Department of the Interior on April 8, 1948, but subsequently canceled on April 22, 1949, because entry of the land could be made only by a qualified veteran and the entryman was not a qualified veteran: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with this claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SIDNEY F. MASHBIR

The Clerk called the bill (H. R. 2604) to authorize the appointment of Sidney F. Mashbir, colonel, Army of the United States, to the permanent grade of colonel in the Regular Army.

There being no objection, the Clerk read the bill, as follows:

Whereas Sidney F. Mashbir served as a commissioned officer in the Regular Army during the period beginning prior to November 12, 1918, and ending May 7, 1923, the date of his resignation from the Regular Army;

Whereas the said Sidney F. Mashbir, presently serving in the grade of colonel, Army

of the United States, resigned from the Regular Army on May 7, 1923, under honorable conditions and at a time when existing law authorized his reappointment;

Whereas the said Sidney F. Mashbir resigned in order to carry out a secret and hazardous military mission at his own expense, no public funds being legally available for such purpose;

Whereas the said Sidney F. Mashbir resigned in the belief that he could be reappointed to his former grade in the Regular Army upon completion of such military mission;

Whereas the said Sidney F. Mashbir applied for such reappointment to the Regular Army on September 14, 1923, after the earthquake of September 1, 1923, destroyed his ability to finance such military mission, but was denied such reappointment by reason of an administrative ruling theretofore unknown to him and not published to the Army at large;

Whereas the said Sidney F. Mashbir has performed faithful and honorable service for more than 30 years in the Army of the United States, including more than 7 years' active service in World War II in the grade of colonel, and has been awarded the Distinguished Service Medal and other decorations in recognition of his outstanding service; and

Whereas the foregoing facts have been established by unimpeachable and unchallenged evidence submitted before the Army personnel board of five general officers appointed under existing law in accordance with instructions issued on September 30, 1948, by the Chief of Staff, United States Army: Therefore

Be it enacted, etc., That the President is authorized and requested to appoint, by and with the advice and consent of the Senate, Sidney F. Mashbir, Army serial number O-191029, colonel, Army of the United States, to the permanent grade of colonel in the Adjutant General's Department in the Regular Army. The said Sidney F. Mashbir shall not be included, by reason of such appointment, in the authorized number of colonels on the active list of the Regular Army in the administration of any provision of law limiting the number of such colonels. No permanent increase in the authorized number of colonels on the active list of the Regular Army shall be held to be authorized by reason of the enactment of this act. No back pay or allowances shall accrue to the said Sidney F. Mashbir by reason of the enactment of this act for any period prior to the date of its enactment.

With the following committee amendments:

On page 3, line 3, strike out the word "Department" and insert in lieu thereof the word "Corps."

On page 3, immediately following line 13, add the following sentence: "Upon retirement the said Sidney F. Mashbir shall receive the same amount of retired pay as a Reserve officer of the Army of the United States with the same service as the said Sidney F. Mashbir would be entitled to receive under the provisions of title III of the act of June 29, 1948 (62 Stat. 1081), as amended."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PASCAL NEMOTO YUTAKA

Mr. FEIGHAN. Mr. Speaker, I ask unanimous consent for the immediate

consideration of the bill (S. 617) for the relief of Pascal Nemoto Yutaka.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, has this bill cleared the House?

Mr. FEIGHAN. Mr. Speaker, this is the same bill to which the gentleman from Mississippi [Mr. RANKIN] objected last week, the same bill I discussed with the gentleman and which met with his approval.

Mr. MARTIN of Massachusetts. It is an immigration bill?

Mr. FEIGHAN. It is an immigration bill involving a 2-year-old adopted infant.

The SPEAKER. Is there objection to the request of the gentleman from Ohio? There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That, solely for the purpose of section 4 (a) and section 9 of the Immigration Act of 1924, and notwithstanding any provisions excluding from admission to the United States persons of races, ineligible to citizenship, Pascal Nemoto Yutaka, a minor half-Japanese child, shall be considered the alien natural-born child of Lt. and Mrs. James R. Evans, citizens of the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MAIKU SUZUKI

Mr. FEIGHAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1437) for the relief of Maiku Suzuki.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Ohio? There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That, for the purposes of section 4 (a) and 9 of the Immigration Act of 1924, as amended, and notwithstanding any provisions excluding from admission to the United States persons of races ineligible to citizenship, the minor child, Maiku Suzuki, shall be held and considered to be the natural-born alien child of Captain and Mrs. Andrew A. Miller, citizens of the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PETER THERKELSEN KIRWAN AND
ERNEST O'GORMAN KIRWAN

Mr. WALTER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1464) for the relief of Peter Therkelsen Kirwan and Ernest O'Gorman Kirwan.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, Peter Therkelsen Kirwan and Ernest O'Gorman Kirwan, British subjects who were born in India of an American mother and British

father, shall be deemed to have been born in Great Britain.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. KEATING. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. PRIEST. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 189]

Abernethy	Fine	Murphy
Allen, La.	Fisher	Murray, Wis.
Bailey	Gore	O'Hara
Baker	Granger	O'Konski
Barden	Grant	Ostertag
Bates, Ky.	Hand	Perkins
Battle	Hébert	Phillips
Berry	Hedrick	Poulson
Blatnik	Heffernan	Powell
Brooks	Hess	Price
Brown, Ohio	Hollifield	Quinn
Burleson	Howell	Redden
Busbey	Ikard	Rivers
Byrne, N. Y.	Jackson, Calif.	Rodino
Camp	Johnson	Roosevelt
Celler	Kearney	Sabath
Chatham	Kennedy	Sadiak
Chelf	Keogh	Scudder
Cole, N. Y.	Kersten, Mo.	Shelley
Cox	Kilburn	Short
Crawford	Latham	Spence
Crosser	Lucas	Staggers
Deane	McCarthy	Stockman
DeGraffenried	McCulloch	Taylor
Delaney	Mack, Ill.	Thompson, Tex.
Denton	Meador	Velde
Dollinger	Miller, Calif.	Vinson
Durham	Morrison	Watts
Eaton	Moulder	Willis
Eberharter	Murdock	

The SPEAKER. On this roll call 334 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

REHABILITATION OF FLOOD-STRICKEN AREAS

Mr. NORRELL. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 341 making appropriations for rehabilitation of flood-stricken areas for the fiscal year 1952, and for other purposes, and that general debate be limited to 1 hour to be equally controlled by the gentleman from Ohio [Mr. CLEVINGER] and myself.

Mr. CLEVINGER. Mr. Speaker, that will be satisfactory.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. NORRELL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of House Joint Resolution 341, making appropriations for rehabilitation of flood-stricken areas for the fiscal year 1952, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the con-

sideration of House Joint Resolution 341, with Mr. COLMER in the chair.

The Clerk read the title of the joint resolution.

By unanimous consent the first reading of the joint resolution was dispensed with.

The CHAIRMAN. Under the previous order of the House general debate will be limited to 1 hour, the time to be equally divided and controlled by the gentleman from Ohio [Mr. CLEVINGER] and the gentleman from Arkansas [Mr. NORRELL].

The gentleman from Arkansas is recognized.

Mr. NORRELL. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, in the beginning may I say that my colleagues on the subcommittee which have handled this budget request, composed of the gentleman from Mississippi [Mr. WHITTEN], the gentleman from Massachusetts [Mr. FURCOLO], the gentleman from Ohio [Mr. CLEVINGER], and the gentleman from New Hampshire [Mr. COTTON], have done a magnificent job. I wish time would permit me to tell you how we went into this matter, how honestly we tried to discharge our duties without politics, in an effort to do what is right for the flood-stricken people of the Midwest and also the taxpayers and citizens of the United States. May I also at this time pay tribute to our colleagues from the Midwestern States, both Democrats and Republicans, who have been very alert, able, and conscientious in trying to do their job as statesmen should. They have done the best they could for their constituents. The staff has also done a magnificent job.

We bring to you today a bill dealing with a very difficult problem, but we bring to you a bill that has come out of the subcommittee by unanimous vote.

The first job this committee had to do was to determine something about the extent of the damages suffered in Kansas, Missouri, Oklahoma, and Illinois. We went into that thoroughly. We heard witnesses from the several States, the Government agencies, and our colleagues here in the House.

Mr. Chairman, there is no argument about the damages to property and financial loss. In addition to the financial angle there has been great physical pain, mental anguish and, yes, there has been death, although surprisingly small.

The July floods in the Midwest were the worst ever recorded in this country. Stream flow in central Kansas, for example, was 70 times normal in July. While appraisals of loss are still incomplete, it is estimated that total damages sustained in the area will exceed \$2,500,000,000. It is estimated that some 34,000 farms were totally or partially covered by floodwaters, that about 30,000 farm buildings, including homes, were destroyed or badly damaged, and that a quarter of a billion dollars' worth of crops were destroyed. It appears that nearly 6,000 business concerns ranging from large assembly plants and packing plants to small grocery stores and drug stores were destroyed or seriously dam-

aged. In addition to this the railroads and utilities in the area suffered substantial losses. According to the latest information more than 40,000 families were driven from their homes, 10,000 of which were washed away or almost entirely destroyed.

It is probable that losses to agriculture will exceed half a billion dollars. Damage to commercial property will run around \$1,500,000,000. Damage to public property, including such things as streets, highways, bridges, schools, and hospitals, will exceed one-quarter of a billion dollars and loss to private families will exceed \$60,000,000.

Now, if they have been damaged to this extent, the second question to arise necessarily would be, what have we done about it? We wanted to know that before we made additional appropriations.

Briefly, what are we doing about the \$2,500,000,000 in damages?

Earlier this year we made available for this area \$25,000,000. I think you are entitled to know what has become of that money. Your subcommittee learned it has been expended in this way: One million dollars has gone to the Commodity Credit Corporation for feed and livestock; about \$7,000,000 has gone to the State of Kansas to provide for general clean-up and emergency rehabilitation. They needed it. Two million five hundred thousand dollars has gone to the State of Missouri for the same purpose. Oklahoma has received a lesser amount, about \$250,000, because the damage was not so great in that State. Emergency housing has cost in excess of \$4,000,000, and public health matters through the Federal Security Agency have required \$228,000. They have expended, in other words, about \$15,500,000 of that money; and when we started our hearings they had a balance of \$10,500,000 unallocated. But applications had been made, which, when allowed, would consume the balance of the money in that fund.

Now then, we went into what other agencies of the Government are doing. And I think you will be interested in this. We found that financial aid of around \$150,000,000 is already available to this area from regular Federal agencies. For instance, the Farmers Home Administration has about \$13,000,000 in one fund, and in another, \$14,000,000, for aid to the midwestern area. In the Farm Credit Administration, debts of farmers have already been extended to the tune of \$6,500,000, and additional loans have been made in the amount of \$2,000,000. In addition, around 7,000 farmers in the area will collect under crop insurance. It is estimated that they will collect about \$2,500,000. The Red Cross has done a wonderful job, and you will be interested in knowing that they have, so they say, expended somewhere between \$6,000,000 and \$10,000,000 for relief in this area. The Salvation Army and others have done, of course, a good job. Then the Reconstruction Finance Corporation has \$35,000,000 to be used throughout the country, and they can channel a sizable sum of that money into this area.

About a month ago you passed a bill authorizing \$200,000,000 for advance

commitments by the Federal National Mortgage Association for the purchase of FHA-insured and VA-guaranteed mortgages on housing. Of this amount \$50,000,000 has been set up for this area, and more is available if needed. Now then, that is not the whole story. Other agencies that have been doing a great work are the Corps of Engineers, the Soil Conservation Service, the Extension Service, the Bureau of Animal Industry, and Bureau of Public Roads. A total of 61 Federal agencies have been providing assistance in the area. A complete list of the agencies is as follows:

Department of Agriculture: Production and Marketing Administration, Commodity Credit Corporation, Farmers Home Administration, Farm Credit Administration, Federal Farm Mortgage Corporation, Production Credit Associations, Federal Land Bank Association, Banks for Cooperatives, Intermediate Credit Banks, Federal Crop Insurance Corporation, Soil Conservation Service, Extension Service, Agricultural Research Administration, Rural Electrification Administration, Agricultural Mobilization Committees.

Atomic Energy Commission.
Civil Service Commission.

Department of Commerce: National Production Authority, Bureau of Public Roads, Civil Aeronautics Administration, Coast and Geodetic Survey, Weather Bureau.

Comptroller General of the United States.
Defense Production Administration.
Defense Transport Administration.

Department of Defense: Munitions Board (Armed Forces Regional Council), Department of the Army—Corps of Engineers, Department of the Navy, Department of the Air Force—Air Materiel Command.

Economic Stabilization Agency: Office of Price Stabilization, Wage Stabilization Board, Salary Stabilization Board, Office of Rent Stabilization (formerly the Housing Expediter).

Federal Civil Defense Administration.
Federal Communications Commission.
Federal Reserve System, Board of Governors.

Federal Security Agency: Public Health Service, Food and Drug Administration, Office of Education.

General Services Administration.

Housing and Home Finance Agency: Community Facilities Service, Home Loan Bank Board, Federal Housing Administration, Public Housing Administration, National Housing Council.

Department of the Interior: Defense Electric Power Administration, Defense Minerals Administration, Defense Solid Fuels Administration, Defense Fisheries Administration, Geological Survey, Petroleum Administration for Defense, Bureau of Mines, Bureau of Reclamation, Bureau of Indian Affairs.

Department of Labor: Wage and Hour and Public Contracts Divisions, Bureau of Employment Security, Defense Manpower Administration.

Office of Defense Mobilization: Committee on Defense Transportation Storage.

Reconstruction Finance Corporation.

Department of the Treasury: United States Coast Guard.

Veterans' Administration.

Now then, when we got that information, we decided that a liberal people and benevolent Government, had been trying to do its utmost for a gracious and kind and noble citizenry of the flood area.

We come now to the budget estimate. What did it contain? We can divide it into three sections:

The first proposal was for an indemnity program. It recommended that we ap-

propriate \$190,000,000 to start with to indemnify the people in this area for flood losses.

The second thing the budget estimate proposed was to provide loans on a more liberal basis, if possible, to the tune of about \$160,000,000 through a Director of a Flood Disaster Administration.

The third thing included was the flood insurance fund, and in the estimate they had \$50,000,000, which would constitute a beginning.

What did the committee do? May I say that when this committee entered on this job we realized that it would be a difficult problem. I entered it with mingled feelings of sorrow and joy—sorrow because of the great losses out there among good, conscientious American citizens and joy because I was going to be in position to try to do something for those people that needed assistance and help.

What did we do? The committee recommended approval of a few of these items. One recommendation was that \$18,440,000 of additional funds be appropriated not to the Director of Relief but to the Department of Agriculture, not under any new formula but under existing law, to be carried out like the program now being carried on under the Department of Agriculture.

Then we recommended the appropriation of \$30,000,000 to the disaster loan revolving fund of the Farmers Home Administration. There is already \$13,000,000 available from this fund and \$14,000,000 available from the regular lending program in this agency.

The third thing we did was to increase the \$25,000,000 we allowed earlier this year by \$5,000,000. That is authorized. It is not a new program.

Then we increased the ceiling on the Reconstruction Finance Corporation disaster loans so that they can borrow more money to provide loans, not gifts, not indemnities, but loans that can be made up to 100 percent in certain circumstances on household goods and houses or anything the people need to buy.

These additional funds, together with funds already available to these agencies, will provide adequate funds to enable business and home owners to re-establish themselves. There is no doubt about that.

We turned down the budget estimate as submitted, because there was no legislative authority for it. I happen to be a man who believes that the Committee on Appropriations is not a policy-making committee. That is the job of the legislative committees. We appropriated this money, not as requested, but according to the law.

I want to touch on the indemnity program for a minute. We did not go along with that. It was not authorized. It is a new policy which, Mr. Chairman, could involve a sum of money in the future that is so staggering that the mortal mind cannot comprehend it. The Committee on Appropriations ought not to start it. If we want to start it, we ought to do it through the Legislative Committee in the usual legislative way.

The other thing which I want to discuss in my remaining time is the insurance feature. We had the best experts

we could get come down here and advise us because, while it was not authorized, and while it was a new policy, we did want to give the matter serious, careful, friendly, and sympathetic consideration. So they appeared before the committee. These men said, representing the insurance industry of the Nation, "Back in 1944, we conducted an investigation to see if such a plan was economically feasible, and decided after a long study that it was not, and we abandoned it. Recently, we have started another study and we are now trying to determine if the matter is feasible." They said that the total assets of the insurance companies are about \$2,500,000,000 and if the insurance companies should attempt to write flood insurance, they thought that in a few years the losses would be enough to liquidate them entirely.

In conclusion, I want to say we have done what I believe to be a good job. Every segment of society in this area is well cared for and can get along. There is no doubt about that at all. We have done as much as a grateful people would want us to do. If this subcommittee can be criticized in any way, Mr. Chairman, it can be criticized for doing too much. But God knows, if on one side there are those who are able to take care of themselves, and on the other are people who are prostrate and cannot take care of themselves, I want to err on the side of the prostrate. So we bring to you a bill that appropriates under existing law about \$53,440,000, and raises the ceiling of the RFC \$60,000,000. We think it is a good bill, Mr. Chairman, and we hope the people in the great midwestern area of this country will agree with us, and we know they will.

(Mr. NORRELL asked and was given permission to revise and extend his remarks.)

Mr. CLEVENGER. Mr. Chairman, I yield myself 5 minutes.

(Mr. CLEVENGER asked and was given permission to revise and extend his remarks.)

Mr. CLEVENGER. Mr. Chairman, the chairman of this subcommittee had beautifully stated this matter. To repeat what he has said would only make his remarks less effective.

I know that you all realize we operate in a very difficult situation. At a time when our Ways and Means Committee is down to the bottom of the barrel, looking for something new to tax, at a time when our Government, wisely or unwisely—and in my opinion it has been unwise—has scattered billions of dollars of our money all over the world and is still doing so, it makes a very difficult operation for an honest Committee on Appropriations to withhold what seems to tell you that you would love to give, yet which we had no legal right to give.

The chairman has well said that what we have done, we have done in accordance with existing law. We can replace furniture with a loan on just a personal note, that will allow a man to earn it and to own it and to leave with him his independence, and not replace that with a feeling of dependence, and that he is pauperizing himself in accepting it.

We have properly put into the hands of the Soil Conservation Service of the

Department of Agriculture the program of opening up these closed channels and streams, and to start on the reclamation of the area in the regular way, under the guidance of local committees.

We have left with public housing the restoration of permanent housing by virtue of loans to those who cannot build it themselves. We have furnished some 1,400 portable houses for those who had to have housing at once. These have been good trailer homes with facilities that are adequate. The best thing about this is that there has been no epidemic. There has been no great loss of life; no conditions of disease; no unusual condition following the inundation of this great area.

It is not a condition of receiving this aid but it is the recommendation of this part of that committee, and I so made it in the hearing, that it is the duty of municipal and county officials in this area that has so greatly encroached upon the bed of the Missouri River at this critical point, that proper zoning be had. I know it will be a hot political issue, but it is one that local governments must have to face. They have to realize that by the grace of God 9,000 houses were washed out and yet only a very, very few lives were lost. They should not be permitted to rebuild in this exposed area. Of course the automobile had something to do with that, because it enabled those people to get out and to take out their neighbors. The all-important thing about this bill, and the reason I would like to see it enacted just as quickly as possible, is that these people are already on the field. They are already organized. There is no organization of any superduper committee which we might not be able to control. Every one of these agencies is already there.

I have no desire to add longer to the delay in getting this relief started to these people that they may rehabilitate themselves. So I am only taking these few minutes of your time. I have had the pleasure of working with these gentlemen before. Let me tell you that in the men on this committee on the majority side, the gentleman from Arkansas [Mr. NORRELL], the gentleman from Mississippi [Mr. WHITTEN], the gentleman from Massachusetts [Mr. FURCOLO], and my colleague the gentleman from New Hampshire [Mr. COTTON], you would have to search long to find men whose sympathies are greater, whose desire to operate as far as the law would allow them to go in alleviating this suffering is greater. I have grown to admire each and every one of these men.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. NORRELL. Mr. Chairman, I yield such time as he may desire to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON. Mr. Chairman, we are dealing here, not with a local or State problem, but with a national problem.

The area that has been inundated by this record-breaking flood, vast as it is, is small in comparison with the area of the country which produced this flood and dumped this water down upon the helpless and defenseless valleys. It is a national catastrophe and only the Na-

tion is in a position to compensate this area and these people for this appalling disaster over which they had no control and no power to avert. The very fact that the natural course of the river has been diverted and its channel choked by dikes and dams and piling and revetment, which retarded the flow of the water and sent it out over the banks and into the towns and cities in a volume never known before, is all the more reason why the Government which filled the river with these obstructions should make amends and as nearly as possible restore property and compensate for the damages for which it is responsible. Of course money cannot compensate for loss of life and ruined health and broken family circles driven permanently from homes and lands whose productivity has been washed away or buried beneath deserts of sterile sand.

Nor is the loss merely a local loss, confined to the community and locality or even the States in the path of the deluge which swept down from the watersheds of the continent. It too is essentially national. The amount of the immediate damage to the farms and cities which have been washed away is small in comparison with the economic loss to the Nation as a whole. Every class and industry and individual has, to a greater or less degree, depended for some part of its income on the wealth and business produced and distributed by these devastated areas. It has been estimated that every dollar's worth of commodities produced by these inundated plants and factories and fields has produced \$10 worth of business in the country at large and has been integrated with the income of every business and locality in the entire Nation. It is not a local problem either geographically or economically, and we must approach it from that point of view.

It is not necessary here to recount the scope of the incomprehensible destruction wrought by this Government-accelerated flood. The newspapers of the country characterize it as the most destructive flood in the history of the Nation. After a careful screening, the committee estimates the loss at approximately \$2,500,000,000. When the cost of recovery is included and the years of patient and unrequited efforts to bring it back to where it was before the deluge struck, that is undoubtedly a conservative estimate. Even at that it is so vast as to be beyond the capacity of the finite mind of man to comprehend.

Here in the House we took immediate and urgent steps to meet the situation. Before the crest had passed the mouth of the Kaw, acting on the personal request of the President, we appropriated \$25,000,000 for emergency relief. And we made prompt preparation to act on the President's budget message asking for this bill. Hearings were delayed by failure to receive the justifications required by law but we started on them as soon as received and in a comprehensive processing the committee heard every individual and agency and reported out the bill in record time.

We are particularly fortunate in the personnel of the committee which has had charge of the bill. Chairman Nor-

RELL is from an area in the heart of the Mississippi Basin and is one of the outstanding Members of the House. Mr. WHITTEN, who is chairman of the Subcommittee on Agriculture and is one of the ablest members of the Committee on Appropriations has long experience and familiarity with the agricultural features of the problem. Mr. FURCOLO is from an urban area and in position to pass on those phases pertaining to urban and industrial questions. Mr. CLEVINGER and Mr. COTTON, the minority representatives, are among the ablest members of the Committee on Appropriations, and have rendered exceptional and invaluable service in the handling of the bill. A more competent and better qualified committee could not have been assembled.

The earnestness and industry with which the committee pushed the consideration of the hearings and the fairness and impartiality with which they heard all witnesses is emphasized by the concluding statement of Col. A. E. Howse, in charge of the presentation of the evidence who, though subject to strictures because of delay in submitting data, said:

I would like to make a comment on the record. In the 10 years I have been in and out of the Government, I have never been accorded more courtesy, or a fairer or a more impartial hearing in all my experience.

I will say this to you very candidly. I honestly do not see how this committee could have been more cooperative than they have been.

Of course the size of the bill and the contribution by the Government should be commensurate with the size of the flood and the amount of the damage. Government responsibility for the maximum destructiveness of the flood through artificial constriction of the natural channel of the river would warrant compensation for all damage in excess of the damage which would have been suffered from normal floods such as the valleys experienced before the channel was filled with obstacles and barriers. But as the committee points out, this is impossible due to the size of the totals involved and the lack of law authorizing such appropriations. As an alternative the committee provides relief for every case through the enlistment of existing Government agencies and provides:

An additional \$18,440,000 for the Agriculture Department to use in the restoration of farms.

An additional \$30,000,000 for the Farmers Home Administration to be loaned to farmers for repair of homes and facilities.

An additional \$5,000,000 for the President's emergency disaster fund.

An increase from \$40,000,000 to \$100,000,000 in the amount the RFC may loan to rehabilitate businesses and homes.

An extension from 10 to 20 years in the time limit on loans for acquisition or construction of housing.

Such funds are to be used for the repair or replacement of buildings, replacement of machinery or household goods, replacement and feeding of livestock, for clothing and operating expenses and any other items necessary to get farmers back on their feet and farms back into normal production.

In other words, this bill goes further in the alleviation of distress and loss occasioned by the flood than any similar law has ever gone in the legislation of the Nation, and the relief provided by the bill does all that the Federal Government can do under the Federal statutes. It does not do all I would like to see done but it is as far as the Congress or the Government can go.

There are those who oppose this bill because of the huge amounts involved, who insist that the Government is not responsible, who object to contributing money to help those unfortunate families whom the flood has placed in a position where they cannot help themselves.

But the amounts provided by this bill are not gifts or contributions. They are not gratuitous expenditures from the Federal Treasury. They are amounts due. They are investments in humanity, investments in the future, which will pay vast dividends to the Nation by returning barren wastes to productivity. They are essential to the national defense and will provide food for our armies and our allies. They are a part of our American way of life.

Time is the essence. Every day, every hour, adds to the problem and decreases the prospect of complete rehabilitation. He gives twice who gives promptly. I trust the bill can be passed without reduction and transmitted to the Senate this afternoon.

(Mr. CANNON asked and was given permission to revise and extend his remarks.)

Mr. CLEVENGER. Mr. Chairman, I yield 8 minutes to the gentleman from Kansas [Mr. SCRIVNER].

(Mr. SCRIVNER asked and was given permission to revise and extend his remarks.)

Mr. SCRIVNER. Mr. Chairman, these five gentlemen who served as the subcommittee of the Committee on Appropriations for the consideration of these matters are five of the finest, most able, honest, and conscientious Members of the House of Representatives. When they tell you they feel they have done a good job, in their hearts I believe they think that very thing. They have done all right as far as things have gone. But, Mr. Chairman, this does not help those who need help the most; the families of those workers who lived in the flood areas and worked in the packing plants, the steel mills, the grain elevators, the railroad yards, soap factories, and other industrial plants. These are families who were left with nothing when the flood hit there without warning, because the radio told them they were safe behind the dikes which the engineers said would hold. These men had nothing but their jobs, their families, their furniture, their clothes, and maybe an old jalopy. When the floods hit they were lucky to get themselves and their families out with the clothes they had on their backs.

It is not going to do them any good to get a loan merely to heap another debt upon their heads. Most of them are already in debt, undoubtedly partly for furniture and belongings which they had at the time of the flood. Some of them were newlyweds just getting started.

Many are elderly people. How are you helping them by adding another burden of debt and putting it on their backs?

Put a load of debt upon them, which they can never pay, and say you are helping them? Why, if it were not so tragic, it would be laughable. Help? Oh, I know, we are told that these loans will be liberalized; but instead of loans many of these people are getting nothing more or less than a run-around.

I could tell you case after case. My mail is filled with letters reciting "brush offs." For instance, let us take the case of Mike Sambol, a man who built up a very good independent packing business of his own. He did it the hard way, working 18 to 20 hours a day, saving his money and investing it in his business. He was flooded out. He tried to get a loan from the RFC, a liberalized loan. What did they tell him? "Why, you only have an eighth-grade education. We cannot lend you money." He had already made a success of the business that the flood wiped out. What did education have to do with his ability. Yet in that same period of time they could lend \$50,000 to rehabilitate a race track, they could lend \$500,000 to another packing firm, but they could not help Mike.

I could tell you of the elderly widow who had two houses. She lived in one and got rent from the other, together with a little pension. Now both of these houses are gone, the furniture is gone. She is 82 years old. Do you say a loan is going to help her?

I can tell you of independent businessman after independent businessman who had put everything they had saved in their whole lives into that area. It is gone. They are not going to get help in this proposal here.

The owners perhaps can get and pay off a loan. The farmers? They say there will be money for these tenant farmers who lost all of their machinery and everything else. Come back here a year from now and see how much help they got out of this bill.

Mr. Chairman, these folks in the Midwest have been independent. They have come out of storms, droughts and floods before. But this is a bigger and more devastating flood than any that ever hit this Nation. I know. The Second District of Kansas got the impact of the flood and the full force of it, not only on the Kansas River but on the Neosho and Marais des Cygnes as well, where it wiped out home after home and farm after farm and business after business. There is no direct grant here in this measure. It provides nothing but loans—debts, if you please. It may help some but it will not help those who need it most and need it now.

People say, all right, you are from the great independent Middle West, why are you coming to Uncle Sam crying for help? We are coming to Uncle Sam because this is the only place we can get it. In all these other flood years Uncle Sam was not draining off a half-billion dollars of taxes. We then had money left in our own pockets to take care of our own troubles, but Uncle Sam has it all now. This is the only place we can come to get the help we want so

much for these people, a return of but a small part of the billions we have sent here via the tax collector.

There is a liability on the part of the Government. If there had been adequate warning of this danger coming to these people they could have got most of their stuff out. They went to bed with the radio in their ears, with the engineers saying that the dikes will hold; but come midnight and 3 o'clock in the morning, the dikes had not held and in the Argentine and Armourdale districts of my home town of Kansas City, Kans., there were walls of water 14 feet high sweeping everything before them. These people were lucky to get out with their lives, their clothes, and their families. That is all they have left. Yet all you are offering them is a chance to go into debt for the rest of their lives. If they are only 25 now these loans will still not be paid out when these debt-ridden refugees die.

The committee raised the warning that we have got to be concerned about the magnitude of our public debt. I have been worrying about that, too; I have been raising a warning, too. No one seemed to heed me when I protested against drain off our wealth to send it overseas. Why is it raised now when we want to help these people while in the last 6 years you have been spending billions upon billions of dollars aiding war refugees? Now you worry about the effect on the public debt of a few million dollars for the refugees from these ravaging floodwaters.

If this great Nation can break precedents as it has been breaking them for the last 20 years, certainly it could break a precedent here to help people who now cannot help themselves. The greatest of all flood disasters did not stop because it was breaking a precedent.

The logical way for this to be handled was for the legislative committee to have handled it, first, enacting if they saw fit, a law under which money could be spent. The Committee on Appropriations is not a legislative committee. One of the most strictly enforced rules of the House—and I suppose it will be enforced against me—is that there cannot be any legislation in an appropriation measure. My colleague the gentleman from Missouri [Mr. BOLLING] introduced a bill aimed to give some of the various types relief. It was referred to the Committee on the Judiciary. A hearing was started; at least, I assume it was started. The papers said there had been a hearing, that the gentleman from Missouri [Mr. BOLLING] appeared in support of the legislation, and that there was a statement made. My district, the most heavily hit, was not informed of any such hearing. For some reason I was not notified there was going to be a hearing. That bill is still before that committee and nothing has been done since. The second Bolling bill was introduced, and was referred to the Committee on Appropriations. Oh, there have been a lot of funny things going on about this. The people out home have been told by the officials from Washington that there would be a direct grant in aid. You remember that committee after committee, flying out there from Washington in Government planes, at

Government expense, looked over the scene and the damage, reporting how dreadful the tragedy was. The visitors repeatedly told them how they are going to help. But these Washington visitors did not tell them that all they were doing to give these folks was a chance to go in debt for the rest of their lives. These Washington visitors did not mean what they said when they told these flood victims out there that Washington was going to do it by direct grants.

Look at page 35 of the hearings and you will see where Mr. Howse, the big mogul of all of this proposal, said in these words—regardless of what the flood sufferers were told out there in the newspapers. These Washington sightseers played up their hopes that they were going to reestablish the mud-covered homes, supply them with furniture and clothes and whatnot—I am quoting from page 35 of the hearings before the subcommittee, and this is Mr. Howse speaking:

It is not intended to reimburse the homeowner for household goods, furniture, or personal possessions.

These unfortunates that I am talking about are not homeowners. They cannot afford to buy a home. They are renters. They are tenants. They have no land for security. All they have is their name and their future as a pledge for any debt. I am going to propose an amendment which will take care of this group of people. It is the working man that needs it the most. This proposal only provides \$300 to a maximum of \$3,000 for the indemnity for personal belongings, furniture and clothes, household goods, and things like that. Grants would go only to those who cannot qualify for these proposed loans. It will be administered by the local boards, working without pay as public service. It applies only to this disaster and all claims must be filed by July 1, 1952. I trust that there will not be a parliamentary question of a point of order raised to it.

Mr. ARMSTRONG. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield to the gentleman from Missouri.

Mr. ARMSTRONG. I was under the impression that the \$5,000,000 for disaster relief was to supplement a certain sum—I do not have it here, but over \$25,000,000 that had been previously appropriated.

Mr. SCRIVNER. Yes; there is an additional \$5,000,000, but that goes to the States, and then the States, in turn, reallocate it to the various communities to help rehabilitate the community. Not one single penny goes to the individuals I have been talking about for the procurement of clothes or furniture.

Mr. ARMSTRONG. I was under the impression it went to the individual.

Mr. SCRIVNER. It goes to rehabilitate the communities. These areas throughout the States have tons of mud and dirty, stinking muck and slime. In some cases it will cost individuals \$2,000 to clear their property, but none of this \$5,000,000 will go to these as individuals.

Mr. NORRELL. Mr. Chairman, I yield such time as he may desire to the gentleman from Massachusetts [Mr. FURCOLO].

Mr. FURCOLO. Mr. Chairman, before discussing the request before us, I want to pay tribute to all the members of the subcommittee handling this appropriation, and particularly the chairman, the gentleman from Arkansas. He not only gave every witness every opportunity to testify fully, but he also tried to get additional evidence and, with it all, did everything possible to expedite the matter.

Last week, immediately after the testimony had been heard, I prepared a statement that summarized my viewpoint on this matter, and I now offer it for the consideration of the Congress.

The Congress is asked to appropriate \$400,000,000 to finance a program that falls roughly into three phases: First, direct aid, indemnification, or grants not intended to be repaid; second, loans; third, flood insurance.

The evidence presented to the committee gives a clear and accurate picture of the damage in the disaster area and of the need for help. However, to answer the question of "What to do about it?" the committee has merely a mass of testimony that is contradictory, unconvincing, and unsatisfactory.

The evidence indicates clearly that the Government has no detailed or carefully thought out program or policy for distributing the funds either by loan, grant, insurance, or any other method or combination of methods. That is not offered in adverse criticism because the evidence also establishes the difficulty, if not the impossibility, of advancing any hard and fast program or policy of any kind. It may not be practicable to have more than a policy framework with the details to be filled in by trial and error techniques. That is admittedly dangerous and unsatisfactory but failure to get the stricken area back on its feet may be even more dangerous and unsatisfactory.

The evidence establishes beyond question a disaster of unprecedented magnitude. Its toll in human misery and private loss is almost indescribable. Its impact on our domestic economy is obvious and the Office of Defense Mobilization evidence also clearly indicates that the disaster has seriously impeded our war effort.

Although not spelled out in detail for individual cities, towns, and villages, it is also apparent that many communities cannot recover, rehabilitate, and resume normal life without outside help. Whether the States in the disaster area have or have not given full measure in self-help, it nevertheless still remains true that additional assistance must be forthcoming from sources beyond the borders of the States directly affected.

Four hundred million dollars has been requested. The committee has decided that approximately \$150,000,000 will be channelled into the area, either by direct appropriation of the committee or by funds already made available to existing agencies after the President's request and before the date of this report.

The committee has granted approximately all the money requested for loans but has denied all the money requested

for flood insurance and for outright grants or indemnification to individuals for loss of property. It has increased the disaster relief fund by \$5,000,000.

On the evidence presented to the committee, the flood insurance phase of the program cannot be put into effect. Apparently private insurance companies either cannot or will not undertake a program of such magnitude where the risk is well-nigh incalculable.

As far as any form of Government insurance is concerned, no feasible program was advanced by anyone. The evidence presented was insufficient to be the basis for any opinion except that the whole matter should be the subject of an exhaustive and detailed study that was not possible in a speedy hearing on an emergency program.

On the scanty and insufficient evidence presented, I think any reasonable person would conclude that any wide scale and all-inclusive program of flood insurance is out of the question. However, in order to prevent mass unemployment due to any wholesale uprooting of industry—if evidence adduced should indicate such a probability—it might be possible to inaugurate some selective insurance program through the cooperation of private insurance companies with premiums paid for a brief period—for example, 10 years—by the joint contribution of the Federal Government, the State or local government, and the industry itself. Every possible solution should be thoroughly explored.

It is possible that some thought should also be given to granting tax concessions as an inducement to damaged industry to relocate in the area, assuming it is essential that it remain there.

On the question of grants or direct aid to individuals who need assistance but cannot qualify for loans, the Government has no practical solution that is ascertainable from the evidence. The committee has recommended a very liberalized loan policy plus the amount of \$5,000,000 in direct aid—in addition to the \$25,800,000 already appropriated for direct aid. While I do not think any member of the committee regards that as a complete solution, I think we all believe it is at least better than nothing.

I am supporting the committee recommendation for a liberalized loan policy. I also do not disagree with the committee recommendation of \$5,000,000 for flood relief. I shall not only support that recommendation but shall also support any recommendation of many times that amount for direct aid or grants not intended to be repaid if such aid is conditioned upon reasonable standards and if adequate safeguards or precautionary measures are adopted.

For example, it might well be that before any outright grant should be made to any individual he would have to establish that:

First. His family's need is extreme.

Second. There are so many similar cases that the local community or State is unable to provide all the needed assistance.

Third. A local citizens' committee or some organization similar to the Red Cross recommends the grant.

Fourth. The community or State is willing to contribute a fraction of the grant.

I believe there is a need for direct aid or outright grants and that, in addition to whatever safeguards we may establish, we are also going to be compelled to rely on the discretion, judgment, and honesty of those who will administer the program.

Of course in any such program the danger of abuse is great, but the need is even greater, in my opinion.

If the hearings established anything conclusively, it is the utter lack of any planned course of action on the part of the Federal Government in disasters of this magnitude. The testimony repeatedly emphasized the need for speed in getting a program into high gear. Yet those who have the responsibility for rehabilitation of the stricken area are virtually helpless in their attempts to outline an effective program when it is not known how far, if at all, the Congress is willing to go in granting assistance. Certainly it should not be left to the last minute decision of an Appropriations Subcommittee that has not had either sufficient time or authorization to decide a matter of such tremendous scope and far-reaching implications. This disaster has caught us unprepared but that must never happen again. Let us at least benefit by our knowledge that we must decide how far we want to go in such disasters.

The Congress should immediately undertake a full-scale investigation of the entire matter of major disasters. The proper legislative committee should hold long and complete hearings, an over-all policy should be formulated, the Nation should scrutinize it, and then the Congress should by legislation specify just how far the Federal Government will go in assisting disaster victims. Let no one criticize any program or lack of program until the Congress itself has met its own responsibility of providing the framework for a program.

In any large scale disaster there are certain criteria that may determine whether or not Federal assistance should be forthcoming. One or more of the following stages or situations may exist after any disaster. Let the proper legislative committee examine them—and others—and then draw the line at that point where Federal aid should be advanced, whether by loan or grants or any other method.

After any disaster there may be one or more of the following situations where the question is, Shall Federal assistance be given if?—

First. Immediate emergency aid is essential: This would include rescue of victims; medical aid to prevent disease; providing food, clothing, shelter, and so forth, to prevent starvation and exposure; and other emergency measures connected with "drying off" the victims of a flood.

Second. The war effort is seriously impeded and it is imperative to restore as quickly as possible the status quo before the disaster.

Third. The war effort is not seriously impeded—or there is no war effort, in

time of peace—but local or State help alone is not sufficient to enable the community to "dig itself out" and resume its place in the domestic economy of the Nation. This is a situation where it affects the community as a whole and directly.

Fourth. The individual cannot be rehabilitated or resume his former productive status without assistance and he is unable to obtain sufficient local or State assistance because there are too many other individuals in the same classification. This category is one affecting individuals directly but not the community as a whole.

Fifth. There is nothing to justify assistance except sympathy: This is the "compassionate case" where there may be no productive capacity or any basis for help other than the Golden Rule.

Sixth. Indemnification for losses is asked, even though there is no need of help for rehabilitation purposes. Here the individual has suffered loss of personal possessions, and so forth, and asks the Federal Government to reimburse him. This looks to the past, for the most part, and is not primarily concerned with the present or the future.

Seventh. Assistance is probably necessary to protect the individual against future disasters: This preventive category looks to the future, for the most part. However, it may also play a role in the present—for example, on the question of whether or not an industry is going to leave a certain area if there be no insurance or other guarantee against future loss.

There probably are many other phases or situations or criteria. I have merely suggested a few to indicate the scope of the question. Where the line is to be drawn is something for the Congress to decide only after long and careful study.

For the purposes of the case now before us for attention, I think I am safe in saying that the evidence very clearly indicates that most of the help requested falls within criteria first, second, and third. I believe that the Congress is willing to advance Federal aid when at least such justification exists.

We cannot now tell where exhaustive study will indicate the line should be drawn; however, it seems to me that in any event it will not be drawn to exclude criteria first, second, and third.

We must be very careful not to establish a precedent that will return to haunt the Congress or bankrupt the Treasury. In full recognition of the need for such caution, it nevertheless seems that Federal assistance must be given in any case where failure to aid will seriously impede the war effort. What other decision can be made if the choice is between establishing a precedent or risking the security of the Nation?

Not quite so clear a case is the situation where the war effort is not impeded but only the peacetime economy of the Nation is damaged by the inability of a community to "dig itself out" with just local or State help. But will not any Congress in all probability be willing to help in such a situation?

The danger of establishing a precedent under such conditions is more demote

than the danger of failing to act. Perhaps we are willing to go even further but it is not necessary in the case at hand. The most we need to say to justify assistance here is: The Federal Government will give aid and where failure to act seriously impedes the war effort, or hurts the Nation's domestic economy, and State help alone is not sufficient to remedy the condition. Is that a dangerous precedent?

Let me mention one other point briefly: The Treasury Department says it will lose about \$250,000,000 in income tax receipts from that area this year because of the loss of income from business. Granted that at least part of that will be "made up" elsewhere, the fact still remains that, if rehabilitated, the area probably will pour back into the Treasury in taxes at least every cent that is poured into it now.

This report should not be concluded without stating that the evidence also clearly indicates that governmental departments and agencies that have sought to help the stricken area have done an outstanding and, in fact, a remarkable job up to the present time. Tribune should also be paid to the people of the States, the Armed Forces, the Red Cross and similar agencies, and to all who helped in the first stages of the disaster. However, I single out the Federal governmental bodies not because their contribution was greater but only because some or all of such departments and agencies will be concerned in administering the proposed program. The Congress may want to know their record and experience. I think I am safe in saying that the evidence indicates clearly that the governmental departments and agencies have performed an extremely fine and creditable work in the disaster area.

Lastly, if the situation is even half as serious as the chief witness for the Government contended in his testimony, then Congress must act first and talk about it later.

(Mr. FURCOLO asked and was given permission to revise and extend his remarks.)

Mr. CLEVENGER. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. COLE].

Mr. COLE of Kansas. Mr. Chairman, a flood which devastates an area is different, perhaps, from any other catastrophe that occurs. It is different because a man sitting in his farmyard or in his home or standing in his place of business finds himself faced with the futility of ever being able to do anything about the situation.

After the flood has passed away and the muck and the mire have covered his home, his business, or his farm or scoured hundreds of acres so that there is not a living creature or crop left thereon, he looks at the sky again and wonders whether it will occur exactly in the same place, in exactly the same situation, tomorrow. He wonders if it will occur again next month or next year.

Man has attempted to devise certain things which will prevent floods but they will not prevent disaster from occurring even though all of the man-made pro-

grams and plans are finally put into effect. Floods will still continue. We have hurricanes, we have earthquakes, and we have fires. But none of them compare with floods because, though you may be able to indemnify yourself by insurance against these other catastrophes, you cannot indemnify yourself against floods. It is said lightning never strikes twice—but floods strike the same area year after year. Fires, drouths, earthquakes, are almost never repeated, but floods are always recurring in the same areas.

So, Mr. Chairman, we have a precedent here which can be considered by this Congress. This Congress has enacted appropriation measures amounting to billions of dollars for the control of floods, so the problem of floods has been considered heretofore by the Congress as a national problem, one with which the Federal Government should deal.

In the passage of time and with the limitations of appropriations it is not possible for the Congress immediately to put into effect all the flood control projects necessary. We must pick and choose among certain areas. But we recognize the responsibility. Now we choose a certain area in which we put a flood-control project. Therefore, we leave another area unprotected. That other area, unprotected, deserves the consideration of this Congress.

Therefore, Mr. Chairman, it is my judgment that we here owe a responsibility and a duty to the people who have suffered this great loss to see to it that they are rehabilitated. It is not, Mr. Chairman, because it is charity, but because it is a national problem, a national problem involving the economic security of this Nation. Congress has that responsibility.

The President has declared that this flood was a major national catastrophe. That is true, and it is our job to see to it that the people are given this help because it will benefit the Nation as a whole.

Mr. Chairman, billions of dollars have been sent by the Congress and by the Government to foreign countries to aid stricken areas. We have appropriated direct grants to foreign countries for flood relief. In view of this precedent, Mr. Chairman, how can we deny aid to our own stricken people?

The bill offered by the committee merely extends further borrowing powers. These people, this area, cannot be rehabilitated by crushing, burdensome debts, no matter how liberal are the terms. What they need is assistance through grants, and they need it now.

Mr. CLEVENGER. Mr. Chairman, I yield 5 minutes to a member of the committee, the gentleman from Oklahoma [Mr. SCHWABE].

Mr. SCHWABE. Mr. Chairman, I want to take this opportunity to express my sincere appreciation to this worthy committee for the most commendable job they have done under the greatest difficulty and handicap. It is always difficult to go against sympathy or the sympathy racket that can be engendered as a result of a great catastrophe. It takes men of fiber—men of the type who are

on this committee to stand up against the persuasions that are prompted to influence them. I want to agree with the chairman that if anything is wrong with this bill it is that the committee leaned backward to be considerate, tolerant, and merciful to suffering humanity. That is the only error they made so far as I can see.

Mr. Chairman, I say that because I represent perhaps the second most hard-hit district of any Member of Congress, the northeastern district of Oklahoma, Congressional District 1. We suffered tremendously from the floods that came out of southeastern Kansas. The streams do not rise in my district, but they rise in Kansas, and as the gentleman from Missouri [Mr. CANNON] said awhile ago, the water was dumped upon us from another State, but that does not relieve us from a liability and a responsibility here. In my humble opinion, if we had taken the precaution in the past that should have been taken, we would not have had any floods in Oklahoma that were so devastating as these were. Year after year, almost annually, we suffer from severe floods on what we call the Grand River, which is the projection of the Neosho River after it leaves Kansas and comes across the line into Oklahoma. And we suffer floods on the Verdigris River, which with its tributaries rise in Kansas, and the Verdigris flows down through my district, near Nowata and Claremore, and through that part of the country, and from the Caney River, which comes out of Kansas. We have suffered year after year because we have not had flood prevention at the sources of those rivers, where they rise in Kansas. The dams that have been authorized by Congress, and approved by the Army engineers, to be located in Kansas, have not been built, except in one instance. If they had been built, we would not have suffered, as we have, such disastrous results in Miami or near Claremore or Nowata this year. But I suggest to you that this approach through the recognized agencies of Government, which have been doing a good job down there, is the proper approach rather than the direct or indemnity relief program which was suggested. The insurance program is not practical. These programs suggest uncharted courses, as the gentleman from Missouri [Mr. CANNON], chairman of the Committee on Appropriations, and the gentleman from Arkansas [Mr. NORRELL], chairman of the subcommittee, have suggested, and such a proposal should come from the legislative committees, if they are to be considered by this Congress. This committee has done all that a Committee on Appropriations is warranted or justified in doing. In my district hundreds of people have suffered severe losses, all they had, as the gentleman from Kansas [Mr. SCRIVNER] says. It is just as bad as it is for the people of his district, except that they are not so many in number. That is the only difference. It is a difference in magnitude and numerical strength, rather than in principle.

I have had very few letters from the people in my district. Those that I have received have said: "You know we have

had these floods before. We know how to take care of ourselves. We still have that western spirit which will give us the urge to go forward and to do as we have in the past, and not come to Uncle Sam every time we have a devastating flood. We are not going to do it in this instance."

Notice in the report we received only \$225,000, and we are not complaining.

Mr. NORRELL. Mr. Chairman, I yield such time as he may desire to the gentleman from Missouri [Mr. BOLLING].

Mr. BOLLING. Mr. Chairman, the members of the subcommittee and the full Committee on Appropriations have recommended to the House legislation which, according to my understanding, represents the most generous treatment of any flood disaster in the history of the United States. I know that they labored hard and conscientiously on this piece of legislation. I disagree flatly with their conclusions. Their recommendations contained in this resolution are not good enough. This program of loans, although the most generous in our history, is not adequate to do the job at hand.

Something has been said of other floods and of precedent. This flood is so completely unprecedented that no other flood can be compared with it. In other floods individual human beings have been hurt as badly but in no other flood have so many been hurt to so great an extent.

I believe as I believed on the 1st of August, when I first introduced a bill providing for indemnification, as did the junior Senator from Missouri [Mr. HENNINGS], that in order to get this area back on its feet we must have an indemnification program. I believe that we must have flood insurance. All other natural disasters, fire, windstorm, and hailstorm are covered by private insurance, everything except floods. Floods fall in the class of war-risk insurance. No private insurance company is capable, at a reasonable premium rate, of handling flood insurance in the area affected. It seems to me that if we are going to use the natural resources and the industrial capacity that we now have, we must take some action to protect the individuals in those areas through a system of reinsurance.

I remain convinced today, as I was on the 21st of July, when I walked and drove through and flew over these areas, that we must have the things proposed in my bill, H. R. 5022, which I introduced on August 1 and all those things contained in the President's proposal of August 20 and in my bill H. R. 5259 of the same date.

The CHAIRMAN. The gentleman from Missouri has consumed 3 minutes.

Mr. BAKEWELL. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. BAKEWELL. Mr. Chairman, I rise to add my voice to those who have said that they will support House Joint Resolution 341. I believe, as does my colleague, the gentleman from Kansas

[Mr. SCRIVNER], that this bill is inadequate. The Government of the United States is not an insurer against personal loss. But, Mr. Chairman, where thousands of our fellow Americans are deprived of their property, their homes, and their means of livelihood as a result of an act of God and through no fault of their own, we should properly concern ourselves.

We have been most generous in giving aid to the peoples of Europe and of Asia and of Africa. By and large, I think that program has been wise but, Mr. Chairman, I could not in good conscience ever again vote \$1 for foreign aid if we fail at this time to take care of our countrymen in their hour of need.

This bill provides for loans. I do not think we should pass this legislation as loans if at some future time we intend to cancel, reduce, or otherwise alter the agreement to repay. That sort of procedure makes the Government appear to be two-faced. It is the type of approach that is unrealistic. I believe, as does my colleague from Kansas and my colleagues from the flood-devastated sections of Missouri, that there should be limited direct assistance to the flood victims.

Mr. Chairman, residents have sent me photographs of their farms taken before and after the recent floods. In one photograph you see a thriving farm, a fine two-story house, an imposing barn, a silo, and a substantial tool shed. In the other photograph not one of the buildings is standing. Some have been completely swept away, torn from the ground and irretrievably lost. Other buildings have crumpled or are twisted, torn, misshapen humps of rubble, useless for any purpose save salvage of material. Not only has the farmer in question lost his physical assets, but also his crops, his livestock, and his machinery have been destroyed. In truth, his very means of sustenance have been taken from him. He has been deprived of the ability to feed his family and to earn his daily bread. He has no alternative but to go and seek employment where it is available either as a farmhand in some nondevastated area or as a laborer in industry. For this man and all like him, Mr. Chairman, I say that we should in good conscience provide an outright grant of assistance. If the law is properly drawn, wisely and honestly administered, none of this money will miscarry in the channels where it does not belong. If properly handled, none of this money will go to undeserving chiselers.

Mr. Chairman, I believe that this bill is inadequate, but as amendments proposed providing for direct grants have been defeated, I have no alternative but to support the bill in its present form. Again I say that we cannot in good conscience refuse to come to the aid and assistance of our fellow countrymen while at the same time we pour billions of dollars into foreign relief.

Mr. CLEVENGER. Mr. Chairman, I yield the remainder of the time on this side to the gentleman from New Hampshire [Mr. COTTON].

Mr. COTTON. Mr. Chairman, may I inquire how much time the gentleman from Arkansas has remaining?

The CHAIRMAN. Four minutes.

Mr. COTTON. I thank the Chairman. I should like to be notified when I have consumed 4 minutes because I wish to yield a minute to the gentleman from Mississippi [Mr. WHITTEN] in order that he may have a full 5 minutes to conclude for the committee.

Mr. Chairman, I want to take this time to make sure that the Record is straight as to who is actually helping those in the flood area who need help so much.

Between the time that the President of the United States sent his message to the Congress in August, and the time that those who were charged with the administration of flood relief came before your subcommittee, there was a complete change of policy on the part of those administering relief. That is brought out on pages 111 and 112 of the hearings. On that page we were inquiring from Colonel Howse, who was designated by Mr. Wilson, who was in turn designated by the President to have charge of the administration of this program. Interrogating Mr. Howse we referred to the President's message in which the President made his appeal for this program on two grounds: The first, humanitarian; and the second, to restore production in this area for the war effort. So we asked Colonel Howse if those two principles were to be followed in the administering of these indemnities. Remember, they were asking \$190,000,000 for direct indemnification. Mr. Howse replied on page 111:

Mr. COTTON, I would say to you that the second principle is not present in this presentation at all insofar as we are concerned.

When he said "second principle" he meant the humanitarian principle.

I then called to his attention the fact that the President of the United States named that as the first reason; that the man who had nothing but his job, who had lost the shirt from his back, all his household furniture from his rented home, needed help. Colonel Howse replied:

Mr. HOWSE. Mr. COTTON, I would say to you, at the risk of being repetitious—and I say this very respectfully—this is an emergency program insofar as we are concerned. Of necessity, the program is developed as we progress.

Now, the President's message went to the Congress on the 20th of August, if I recall correctly. This is nearly a month later, and during that period of time we have learned by some experience in the area, and we have had a chance to develop our own thinking in this respect, and we have eliminated—and I do not want to seem to be in the position of second-guessing the President by any means—but we have eliminated from our thinking the items that I mentioned yesterday and this morning: the receivables, the inventory, the crops, the livestock, the household goods, the personal possessions, and in that elimination my personal view is that we have pretty well eliminated the humanitarian point of view also.

So if your committee had recommended giving to these gentlemen \$190,000,000 for direct indemnity and

thus open the flood-gates so that every time in the future when we have a flood or windstorm in this country every man on this floor would be besieged by his constituents to get him a cash indemnification from the Treasury—if we had given it to them it would not have gone to the poor fellow who needed it most, but would have gone to the plants and the industries to restore production. That should be borne in mind, and your committee I think in resorting to every means that we have legally at our disposal in the way of loans and direct relief went farther and did more for the flood-stricken areas than these gentlemen representing the President proposed to do.

Mr. Chairman, I yield the remainder of my time to the gentleman from Mississippi [Mr. WHITTEN].

(Mr. COTTON asked and was given permission to revise and extend his remarks.)

Mr. NORRELL. Mr. Chairman, I yield the balance of my time to the gentleman from Mississippi [Mr. WHITTEN].

The CHAIRMAN. The gentleman from Arkansas yields 4 minutes to the gentleman from Mississippi and the gentleman from New Hampshire yields one-half minute to the gentleman from Mississippi.

The gentleman from Mississippi is recognized for 4½ minutes.

Mr. WHITTEN. Mr. Chairman, in public service we frequently are called on to do most unpleasant tasks. I believe that in the 20 years I have been in public office this is the hardest job I have been called on to perform. That is, in the face of tragedy and disaster to stand firm for the orderly processes of Government and to do those things which we can do in law. Your committee appreciated the tremendous disaster that has occurred. The committee has done everything that it can do under the laws of the United States of America—everything.

Under the Disaster Loan Act when this disaster occurred 61 Federal agencies and bureaus were in there to save human lives, to prevent human suffering, to coordinate and do the thousand and one things that might help and to prevent it from being any worse than it was. They did this without regard to where the money was going to come from, they took it from their regular appropriations. They did that and the testimony shows that they did a fine job. The Congress appropriated \$25,000,000 which was added to that to do everything to alleviate and relieve and prevent and to reestablish the people and the area on a temporary basis so that we could take stock and set out to bring about a restoration on a permanent basis. That has been done. But this committee, perchance, being afraid that in the overall, in some of the towns and cities there might be some things that are of an emergency nature that must be done, has added an additional five million. For this disaster the Congress has given approximately three times as much in that way as has ever been given

in any disaster in the Nation's history for this immediate relief.

In addition to that, this committee has provided in this bill all that it is authorized to do under the law. It has raised the loan authorization to the Farmers Home Administration, which means a man who has lost his home or has suffered damage to his farm can go in and on his own signature, even if he has no security, borrow 100 percent of what it takes to get reestablished. We have raised the loan authorization of the RFC so that it can make 100-percent loans, even if the individual has no security, in order to get the people reestablished. We have raised the limits on the amount of loans which the Federal Housing Administration can insure residential buildings so that they can make available homes for the man who had a home and an apartment for the man who rented an apartment, and make it possible for him to go ahead.

If the FHA should not fully meet the needs of housing, and there is no reason it should not, the RFC can step in. If the Farmers Home Administration fails to fully meet the needs for the farmers, the RFC can take it up. So to the extent that we can we met the important, direct problem here, when the flood was going on. In this bill we have provided for restoration to the fullest extent that there is any authority for the committee to do.

Now there was another program that was asked of us. I would like to say first that every witness agreed that if your desire was to restore and to reestablish the area, it could come nearer being done by the lending of money where you could control its use and see that it went to restoration as against giving an indemnity check which could be used to move to California or to some other State. I opposed the British loan on the basis of even on a loan basis, providing the money to spend as they liked and wherever they liked. I thought we should only have provided credit so we could control the use and see to it that they resulted in real restoration. But insofar as restoration is concerned in the area of this disaster the witnesses said that they could bring about restoration better if they controlled the use of the money that is made available which can be done under the loan program here provided.

The official request before this committee, however, was for indemnification. We were asked to provide a blank check to the administrator; for him to go into the area and give everybody 80 percent of up to \$20,000 that they had lost. Under the proposal, it made no difference if the individual had a billion dollars left or if that was all he had. Of course, we wish that were possible but there is a grave question as to the wisdom of the Government embarking on such a policy, and if it were wise there is presently no legislative authority to do it. As I have said, we have no authority to do it. If you give indemnification to one, you have to do it through a general act, and then each individual in the Nation who suffers such loss would be just as much entitled to indemnification as an

individual here. There would be no limit and in my judgment there is no way to provide enough money for such a general policy. Certainly I know there should be thorough study of any such program before it is begun. In the meantime, we do provide here the funds; we provide them through the regular agencies where they can see that the funds are used for restoration of the area.

The CHAIRMAN. All time has expired. The Clerk will read the bill for amendment.

The Clerk read as follows:

Resolved, etc., That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1952, the following sums:

Mr. BOLLING. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. BOLLING: Strike out all after the resolving clause and insert in lieu thereof the following: "That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for expenses necessary to enable the President, through such agencies of the Government (including new agencies which the President is hereby authorized to create) as he may direct, and under such regulations as he may approve, to provide for and to take such measures as he may deem necessary for relief and rehabilitation in the areas declared by the President during July and August 1951, to be disaster areas because of floods, including (a) partial indemnification for physical loss of, or damage to, such tangible real or personal property as may be deemed administratively feasible, but such indemnification (1) shall not exceed \$20,000 for all claims of any one person and shall in no case exceed 80 percent of an amount equal to the cost of replacing, rehabilitating, repairing, or reconstructing such property (less depreciation), (2) may be required to be contingent upon financial participation of State and/or local governments and compromise of creditors' claims (including claims of Federal agencies which are hereby authorized to be compromised without consideration), and (3) shall be adjusted on account of any assistance, compensation, insurance, or other reimbursement received or due on account of such loss or damage; (b) loans to State and local governments, on such terms and conditions as may be deemed necessary, to enable financial participation by such governments in the indemnification program authorized herein; (c) direct loans, or the guaranteeing of loans made by any public or private financing institution, upon such terms and conditions as may be deemed necessary, for rehabilitation of houses, farms, and private businesses; (d) conservation and land restoration measures; (e) personal services, without regard to the civil-service laws; (f) hire of passenger motor vehicles and aircraft; (g) advance of funds under section 11 of the act of August 2, 1946 (41 U. S. C. 529); (h) expenses of attendance at meetings concerned with the purposes of this appropriation; and (i) services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a); \$400,000,000 to remain available until June 30, 1952: *Provided*, That prior to the payment of any indemnity, or the granting or guaranteeing of any loan under this act, the recipient thereof, or the cognizant State or local government, may be required to provide reasonable assurance of the relocation, reconstruction, replacement, rehabilitation, or repair of the damaged property so as to provide reasonable protection against the recurrence of flood loss or damage to such

property, or the indiscriminate redevelopment thereof, and for these purposes there may be acquired by purchase, donation, other means of transfer, or condemnation, and without regard to section 355 of the Revised Statutes (40 U. S. C. 255), land which is subject to recurrent flooding, and such land may be utilized or disposed of in such a manner as to reduce the likelihood of further serious flood damage: *Provided further*, That any indemnification made pursuant to the provisions of this appropriation shall be final and conclusive for all purposes: *Provided further*, That the authority conferred by this appropriation and the funds provided herein shall be supplementary to, and not in substitution for, nor in limitation of, any other authority conferred or funds provided under any other law: *And provided further*, That the functions and duties exercised under this act shall be excluded from the operation of the Administrative Procedures Act (60 Stat. 237), except as to the requirements of section 3 thereof.

"FLOOD INSURANCE REVOLVING FUND"

"SEC. 2. There is hereby created the 'Flood Insurance revolving fund,' which shall be available, without fiscal year limitation, for all expenses necessary for the establishment and operation of a Federal flood insurance program to provide insurance and reinsurance (when not otherwise available at reasonable rates and upon reasonable conditions from private sources) against damage to, or loss of, private property (including that owned by State or local governments) from floods occurring within the United States or its Territories, including expenses of attendance at meetings concerned with the purposes of said funds; services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a); advance of funds under section 11 of said act of August 2, 1946 (31 U. S. C. 529); and purchase and hire of passenger motor vehicles. Said program shall be administered by such agency of the Government (including new agencies which the President is hereby authorized to create) as the President may direct, and shall be operated under such regulations as he may approve. For the foregoing purposes, there may be transferred to said fund, from the appropriation for 'Rehabilitation of midwestern flood-stricken area,' such amounts as the President shall determine to be necessary which shall remain available without regard to the limits of disaster areas. In addition, said fund shall be credited with all net receipts from insurance premiums, salvage, or other recoveries from insurance activities thereunder, and there are authorized to be appropriated such additional amounts as may be required: *Provided*, That any insurance or reinsurance issued under said fund shall be based, insofar as practicable, upon consideration of the risk involved, and said program shall utilize to the maximum extent possible the facilities of private insurance companies: *Provided further*, That reinsurance shall not be provided under said fund at rates less than, nor obtained under said fund at rates more than, the rates established by the Government on the same or similar risks or the rates charged by the insurance carrier for the insurance so reinsured, whichever is most advantageous to the Government, except that there may be made to the insurance carrier such allowances for expenses on account of the cost of services rendered or facilities furnished as may be deemed reasonable to accord with good business practice, but such allowance to the carrier shall not provide for any payment by the carrier on account of solicitation for or stimulation of insurance business: *And provided further*, That such program of insurance shall be so administered as not to serve as an inducement for indiscriminate investments in facilities in areas which are subject to recurring floods."

Mr. NORRELL. Mr. Chairman, I desire to make a point of order against the amendment.

The CHAIRMAN. The gentleman will state it.

Mr. BOLLING. Mr. Chairman, will the gentleman withhold that for a moment?

Mr. NORRELL. If I may do so without waiving any of my parliamentary rights, I will be glad to do so.

The CHAIRMAN. The gentleman from Arkansas reserves a point of order against the amendment.

The gentleman from Missouri is recognized for 5 minutes.

Mr. BOLLING. I thank the gentleman from Arkansas for his courtesy in reserving the point of order.

Mr. Chairman, this amendment in the nature of a substitute is the bill I introduced immediately after the receipt of the President's proposal. It contains, as you have noted, a provision for indemnification, a provision for guaranteed and insured loans, and a provision for flood insurance.

I had hoped that no point of order would be raised against this so that the House as a whole could act on the merits of the case as a whole. It is clear that the subcommittee and the full Committee on Appropriations found against that case. The reason given is that it contains legislation on an appropriation bill. That, also, is the point of order. My experience in the House is shorter than that of many Members. However, it is more than sufficient to know that this is only an evasion of the issue. There have been innumerable cases of legislation on appropriation bills during the past 3 years. The Appropriations Committee can and does do what it pleases in that regard. It could have—it should have—faced this issue squarely and not hidden behind an excuse.

As I have said earlier, I respect good faith of every member of the subcommittee and the full committee. I believe, however, that they approach this problem looking to the past, not to the present or to the future. This flood—the great flood—is the greatest natural disaster in the history of the United States. It is a completely unprecedented flood. It has injured our defense production. More important to me, it has injured the lives of thousands and thousands of human beings.

The first bill I introduced on this subject was designed, and is now designed, to take care of people. I am concerned about the defense production of the United States because in the long run our survival as a nation depends on that, but I am primarily concerned about the human beings then affected and now affected, and, if all they get is loans, who will be affected for generations, by the failure of Congress to look forward. The future, not the past, is our concern.

I think it very clear that loans piled on top of debts will not do the job. As I said, I appreciate the generosity of the committee in going further than the Congress has ever gone in such a situation. I reiterate that I do not think that is enough from a humanitarian point of view or from a national defense point of view.

It is said that we cannot set the precedent of indemnification. It is said that we cannot have flood insurance because it is impractical. It is said that the proposal should have gone to a legislative committee and not to the Appropriations Committee.

Having already pointed out that there are innumerable examples of the Appropriations Committee's recommending and securing the passage of appropriations bills which contained legislation, which established new policies, let me point out why the Appropriations Committee was the right place for the proposal to go. There is urgent necessity for the fastest congressional action possible. It is obvious that one-committee action is faster than two. It is obvious that the likelihood of the Congress adjourning without any action at all would be greater if authorizing legislation were first considered by a legislative committee of the House, then by the House as a whole, then by a legislative committee of the Senate, then by the Senate as a whole, then by a joint committee of conference, then once more by each body and then the whole laborious process repeated to obtain the appropriations authorized in the first place.

In this matter there was and is an urgent necessity for speed of action. There can be no evasion of the issue. The oft-repeated excuse is not sound. The Appropriations Committee and the House cannot duck the fact that they are deciding the questions of indemnification and flood insurance when they pass on House Joint Resolution 341.

Now, what of partial indemnification? Unprecedented disaster requires unprecedented measures. There have been many terrible floods, many terrible fires, many terrible windstorms. There has never been a flood or other natural disaster in our Nation's history as great as the Kansas-Missouri flood of 1951. The great flood affected not only thousands of individuals but hundreds of towns and cities, disrupted the communications of great parts of whole States. The great flood has had an enormous impact on our Nation's defense mobilization effort. The great flood may have seriously damaged the world's food supply. The great flood is the greatest of all our natural disasters.

In the past the capacities of individuals, cities, counties, States, and national organizations, such as the American Red Cross and the Salvation Army, have been sufficient to restore individuals and areas to economic and social health. They are not sufficient to do that job today. I came to this conclusion in late July after personally viewing the aftermath of disaster, not only from the perspective of an airplane but also from the ground where on foot and by car I saw and smelled and heard what the uncontrolled waters had done to business and industry and always to people. Nothing that has happened since has changed my judgment. More recent events have only strengthened my conviction that a program of Federal grants-in-aid is essential if this great food and industrial production area is to be restored to its full capacity to produce in behalf of freedom.

Unprecedented, yes, although we can point to the similar program of the Philippine War Damage Commission; unprecedented, yes, but so was this flood and so in its times was the Constitution of the United States. This area represents an important part of the strength of the United States, of the free world. We have broken many precedents in recent years to strengthen the free world.

Surely the precedent is not the point. Getting the job done is the point—getting the job done for our own people in our own country.

Let us examine flood insurance. Private insurance companies find themselves unable to adequately spread the risk so that their premiums will not be prohibitive for flood insurance in areas like the area recently stricken. Can we as a nation afford to let any part of those areas be abandoned, those areas which produce so much of agricultural and industrial goods, at a time when we are mobilizing all our resources in defense of our freedom? I think not. I think we must face up realistically to this problem. Some system of Federal flood insurance, probable reinsurance, is essential if we are to use all our valuable human and material resources in these difficult and dangerous times.

Mr. Chairman, I hope that the point of order will not be pressed. I urge that we get this job done now, that the House of Representatives approve the substitute amendment which I now offer—the substitute which appropriates \$400,000,000 and provides for partial indemnification, generous loans, and flood insurance.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WHITTEN. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The gentlemen may proceed.

Mr. WHITTEN. Mr. Chairman, the amendment offered by the gentleman from Missouri provides for indemnification and would provide for the creation of an insurance company to insure against future floods. Indemnification means that the Government could, and would, go out and pay in any place in the United States, losses sustained by floods; how about fire, lightning, frost, with citrus, etc. An individual in any area of the United States who lost his home, or lost everything he had, would be suffering the same damage as an individual might suffer who happened to be the victim of a disaster where many people were involved. So far as insurance is concerned, you cannot set up an insurance company just by passing a law. You must provide funds with which to pay the claims. The testimony before our committee showed that the loss in the Missouri Valley alone was greater than the net value of all the insurance companies that handle property insurance was less than that. There is no conceivable way of raising money with which to provide the backing for such an insurance company. We tried it with crop insurance, and it failed, because only those in high-risk areas were interested. We have that on an experimental basis now, but to start out to indemnify an individual for his losses was recognized by the people of those two

States as being fraught with danger because the constitutions of those two States prohibit the issuance of State checks to individuals on this kind of basis. The intent here is good and goodness knows we wish to help. But this would create a dangerous precedent. In the South during the reconstruction days we had legislative bodies who assumed this power. They issued checks to their friends and even to themselves. That is not what Colonel Howse intends in this area, but how about the future? Colonel Howse wants to go there with the checks and to give them to the people for what they have lost. But the next Congress might be confronted with a different situation, and it might be done on a different basis. I do not care who you send out there, but on this basis, presented to this committee, you would have him given the sole discretion of deciding to whom he would give the checks. I say that is a dangerous course for the Government to start on regardless of how bad and how serious the present situation may be. Now this amendment does not intend to go quite that far but that is what the proponents for this course of action told our committee it would provide for.

Therefore, Mr. Chairman, the pending amendment is clearly legislation offered to an appropriation bill. Not only that but it is not germane and would provide what constitutes a complete departure from the existing principles of government.

If the time has come to embark on any such program as that, you should not ask the subcommittee of the Committee on Appropriations to bring in this proposal when the very witnesses before us said, "We do not have any plan, we do not know what we want to do. We talked to one man about this insurance program, but he has not yet made his report and at this time we would not wish to use his name."

Colonel Howse, who attempted to justify the request for the \$50,000,000 for insurance, said, "We have talked to one insurance expert, but he has not given us a report, and I am not at liberty to give you his name." This amendment would set up such an insurance company on that kind of showing. In effect it would provide for indemnification for past losses and through this insurance approach for indemnification for future losses—all with payments out of the Federal Treasury. It is clearly different from anything known under our present law, and goes far beyond the authority of this committee, and certainly is not pertinent to anything in the bill which we are now considering.

Mr. NORRELL. Mr. Chairman, I make the point of order against the amendment because it is not germane to House Joint Resolution 341, which is now before the Committee. It sets up legislation, a rather extensive program of indemnifying flood-control insurance; and there is not anything, not one paragraph or one sentence or one word in the pending resolution on either one of those subjects.

The CHAIRMAN (Mr. COLMER). The Chair is ready to rule.

The amendment which is offered in the nature of a substitute authorizes the

President to create new agencies of Government, and to approve regulations for their operations, and it authorizes the payment of indemnities for damage to private property. The amendment also would create a new program of Federal flood-damage insurance and provide for its administration.

While it appears that the general purposes of the amendment to assist flood-stricken areas is somewhat similar to the general purposes of the resolution, such similarity does not constitute germaneness under the many precedents of the House.

The amendment introduces propositions and subjects entirely different from, beyond the scope of, unrelated to, and new to the pending joint resolution. Therefore the amendment is not germane to the resolution, and the point of order is sustained.

Mr. MORRIS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, while I recognize the parliamentary situation, I would not want the impression to prevail in the Committee at this time that there is not some other method whereby we may approach properly and legally the problem that is presented by this amendment that has just been held to be out of order.

Certainly a sovereign—and of course our Government is a sovereign—has the inherent right to defend, protect, and save itself; of course we can imagine a tragedy being even greater than this tragedy that has brought about this proposed legislation; and our Government, as a sovereign, has the right, in my judgment, to make grants and to make loans which it may find necessary to protect and save itself or some portion of itself. When the matter is properly presented before some legislative committee, certainly it would be proper for us to consider that legislation, and it would be in due order.

In addition to that, I call your attention to the interstate commerce section of our Constitution. Most, if not all, of the streams that are so devastating are either main streams that flow across State boundaries or are tributaries of main streams that flow across State boundaries. Certainly, under the interstate commerce clause of our Constitution, we would have the legal right to make reasonable grants to people who have lost their all in such a disaster as this. Also we would have a right to make loans that are so reasonable that people could effectively rehabilitate themselves and pay the money back over a long period of years. Most certainly, if there ever was a situation in our great country that demands our action along that line, I believe it is that growing out of these flood disasters.

As we all know, we have spent billions of dollars in foreign countries for similar matters. Surely we ought to be liberal with our own people along that line. A man works hard during his life and saves up a little nest egg and has that wiped out overnight by conditions over which he has and can have no control, and then to say that a benevolent government, a strong, powerful government like ours should not come to his rescue

is to say that government has failed, to some extent, in my opinion. I think if we are to do justice and equity to these people, we must recognize the tragedy that is theirs, and we must do something in addition to that proposed in this resolution, along that line.

In my concluding remarks I want to compliment this great subcommittee and this great Committee on Appropriations for doing this much. Although I do not believe this is nearly enough, I want to say, God bless you for giving us at least this much. You have felt that under your jurisdiction and under your prerogatives this is about all you could do at this time.

I respect your opinions and your views, but I say that there are other parliamentary procedures that we can and should take to do more than this. I do want you to know, however, that I express from the depths of my heart my appreciation and thanks for what you have done.

(Mr. MORRIS asked and was given permission to revise and extend his remarks.)

Mr. JENSEN. Mr. Chairman, I rise in opposition to the pro forma amendment to make an inquiry of the committee, the gentleman from Arkansas [Mr. NORRELL], who is handling this bill. I note beginning on the first page of the bill under the heading "Department of Agriculture":

Conservation and use of agricultural land resources: For an additional amount, \$16,480,000, including the furnishing of services, materials, and payments for conservation and land restoration measures, to enable the Secretary to carry out flood assistance and rehabilitation in agricultural areas, damaged by excessive rains, runoff, and floodwaters, designated by the Secretary of Agriculture as—

And so forth. My question is: Is the language in this bill broad enough to include the disastrous flood condition that has existed for years, and still exists along the Missouri River from Sioux City to Kansas City, where thousands upon thousands, if not hundreds of thousands, of acres of land have been flooded, much of which is yet inundated and almost all of which is out of production for this year and will be next year unless something is done to get the flood water off that land and keep it off—is the language in this bill broad enough to include the Missouri River and its tributaries from Sioux City to Kansas City?

Mr. NORRELL. I think I can answer the question adequately for the gentleman, but the gentleman from Mississippi [Mr. WHITTEN] is, as the gentleman from Iowa knows, chairman of the Agriculture subcommittee of the Committee on Appropriations, and with the gentleman's permission I shall yield to the gentleman from Mississippi to answer the question.

Mr. JENSEN. I shall be pleased to hear from the able gentleman from Mississippi.

Mr. WHITTEN. I may say to the gentleman from Iowa that the agricultural items in here are under the regular program of the Department authorized by law; that is true not only here but elsewhere. In the particular instance, this

money is provided under the regular law but would be limited to the areas designated by the Secretary as disaster areas under Public Law No. 38. I personally am not familiar with just what that territory is that has been declared to be a disaster area. But if the damage is of such proportion as to meet the requirements of the law the Secretary could add such areas as came in that category and make this fund available for that section; but he would have to first declare it a disaster area under the terms of Public Law No. 38 passed April 6, 1949.

Mr. JENSEN. I am sure he has already done that; most of the counties, if not all of the counties in Iowa from Sioux City to the Missouri State line have been declared a disaster area. The people in those counties are eligible under that declaration for disaster loans; so they must be in the disaster area covered by this bill.

Mr. WHITTEN. That is the only limitation, that these funds are made available to meet the regular agricultural programs due to the disasters in areas declared to be disaster areas under that law. If he has not already done so and if it is actually in such disaster area, it strikes me he could cover it by so declaring.

Mr. JENSEN. I think everyone must admit that the flood conditions which now prevail from Kansas City to Sioux City play a very great part in the disaster that happened farther down the stream. I thank the gentleman from Mississippi [Mr. WHITTEN]. Since the area I have mentioned has been declared a disaster area, or at least those counties which the Secretary of Agriculture has already declared a disaster area, clearly come within the provisions of this bill.

Mr. SCRIVNER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SCRIVNER: On page 1, line 6, add a new section entitled "Federal Flood Claims Commission," and the following:

"There is hereby created a Federal Flood Claims Commission, hereinafter referred to as the Commission, to be composed of the Director of Defense Mobilization, the Administrator of the Reconstruction Finance Corporation, and the Administrator of the Housing and Home Finance Agency, to direct and supervise under such regulations as it may adopt, the payment of claims for losses of tangible personal property suffered by individuals whose property was damaged by the floods of July 1951 in areas designated by the President as disaster flood areas; and local Federal flood claim boards in each county in such designated disaster flood areas, to receive and process such claims.

"The said Commission shall have an executive director, who shall be selected by the Commission from an existing Federal agency, and whose duties shall be in addition to those presently exercised by him.

"The President is hereby authorized to request the governors of States in which disaster flood areas exist to name a Federal flood claims board in each county within the designated disaster flood area of their respective States, to consist of not more than five members, to be selected from each of the two major political parties, said board members to serve as a civic duty and without compensation.

"The Executive Director of the Commission is authorized to requisition from existing agencies, on behalf of the Commission, and

to assign, such clerical staffs as may be deemed necessary for both the office of the commission and of the board offices in the several counties.

"No claim shall be considered for a minimum of less than \$300, and the maximum allowable to any one claimant shall be \$3,000; no claim shall be entertained from individuals found to be eligible to relief under any other of the provisions of this act; and there shall be deducted from the total amount found to be allowable the amount of any cash relief benefits and/or insurance already received by the claimant from any agency, public or private, on account of loss suffered in the July 1951 flood. All claims must be filed with the appropriate local county board, on or before June 30, 1952.

"The local board in each county shall receive and process claims; shall, according to rules and regulations of the Commission, require the admission of proof of loss and of the actual value of property lost, and shall determine the fact and the extent of loss suffered. Upon a finding that a claim is allowable the board shall certify the claim and the amount allowed to the commission, which shall thereupon make immediate payment direct to the claimant.

"The right to claim shall vest only in the person who suffered the loss, or (1) the widow or widower, or (2) if there be no surviving widow or widower, then the surviving children.

"For the implementation of the provisions of this section there is hereby appropriated out of any money in the Treasury of the United States not otherwise appropriated the sum of \$100,000,000.

"Any person found guilty of making a false or fraudulent claim, or assisting in the presentation of false or fraudulent claims, shall be deemed guilty of a felony and shall, upon conviction thereof, be fined not to exceed \$10,000, or be imprisoned not more than 3 years in a Federal penitentiary, or both.

"No part of any amount allowed under this section shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with claims hereunder, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating this provision shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000."

Mr. NORRELL. Mr. Chairman, I desire to make a point of order against the amendment just offered.

Mr. SCRIVNER. Mr. Chairman, will the gentleman reserve his point of order?

Mr. NORRELL. I will be glad to, without waiving any parliamentary rights to make the point of order later on.

Mr. SCRIVNER. Mr. Chairman, this amendment which I have proposed does not have some of the objectionable features upon which the Chair ruled a few moments ago. It has no matter of flood insurance; it relates only to this one disastrous flood for which we are called upon to provide funds.

My amendment does provide for direct grants of a minimum of \$300 to a maximum of \$3,000 to the people in this particular flood area, this particular disaster, who cannot get relief under the other provisions of law as implemented by these appropriations today. In other words, it says in so many words that no claim shall be considered from any individual who is eligible for relief under any of these other provisions. As I said earlier today, loans are not of any help to these workmen, who have nothing left but his job, if he is lucky, and his

family, whether he is young or old, because all that is offered here is a chance to add to an already great burden of debt a still greater burden.

My amendment provides that the heads of the three agencies already existing shall make up a flood commission. The President shall request the Governors to name a board of five members in each one of the affected counties to be made up of members of both political parties to receive the claims and process them without pay. The clerical help is to be provided by already existing agencies. And then the local board is to pass upon these applications for grants. They know these people, they know the situation; they know pretty well whether the man is lying or not. This amendment provides that they shall claim only the actual value of the property lost, not the cost of replacement, but the actual value of the property at the time it was lost. If a claimant does put in a fraudulent claim he faces a charge of felony and upon conviction he could be fined not more than \$10,000 or imprisonment of not more than 3 years. That Mr. Chairman, is the amendment simply stated.

I set \$300 as a minimum because if the loss was not more than \$300 in any of these cases, whether a workman or not, whether a widow or not, certainly any loss less than \$300 can be absorbed by that person. I fix a maximum of \$3,000 because if the loss was greater than \$3,000 it is apparent that the person who owned that much is not in the group of people I am trying to help here by this particular language.

If time permitted, I could show you case after case of these people, many of them just getting a good start, many of them veterans, some of them just completed school, they just got started. All they have now is a big debt, a growing family, with no chance to ever get out from under except by some aid similar to that proposed in this amendment.

Something was said about precedent. Well, precedents have gone by the boards so rapidly in the last 20 years that it is almost laughable to discuss precedent. A precedent exists today that is costing you many, many billions when the total cost is paid. That precedent, the placing of thousands of our troops, in time of peace, in many countries in the world. When did you ever do that before? Never, and nobody complained about shattering precedent then. But here is a small request to help some little people to the tune of \$300 up to \$3,000, and somebody says, "Yes, but you are establishing a precedent." This flood was a precedent. Never in all the history did you have a flood like it. We had dikes, we had levees that would have taken care of any anticipated flood, any flood that had occurred up to July 13, 1951. Since this flood itself broke precedent and came down in far greater torrents than ever before then, of course, as has been said, it does call for a precedent in legislative action. To be sure that it is not an all-time encompassing proposal I have limited this to the losses sustained in the July 1951 flood in the areas already designated by the President as disaster areas. In order that it will not hang on

and on and on, I have provided that all claims must be filed on or before June 30, 1952, so that there is about a 7-month deadline, and if they cannot decide how much they have lost by that time, certainly they have not been hurt very much.

Mr. Chairman, I hope the point of order will be withdrawn so we can provide this needed help now.

Mr. WHITTEN. Mr. Chairman, I move to strike out the last word.

Mr. NORRELL. Mr. Chairman, I am willing to further reserve my point of order if I do not waive anything by permitting the gentleman from Mississippi to discuss the amendment. I do not want to do anything that will imperil my parliamentary status at this time.

The CHAIRMAN. It is not the practice of the House to reserve a point of order and then debate another amendment. Does the gentleman desire to press his point of order?

Mr. NORRELL. Yes; I do, Mr. Chairman.

Mr. WHITTEN. Will the gentleman yield to me for the purpose of addressing myself to the point of order?

Mr. NORRELL. If I do not waive any parliamentary rights, I will yield.

The CHAIRMAN. Of course, the Chair will recognize either gentleman, the gentleman from Arkansas or the gentleman from Mississippi, whoever wants to be heard on the point of order.

Mr. NORRELL. I would like to be heard on the point of order, Mr. Chairman.

Mr. WHITTEN. I, too, Mr. Chairman desire to be heard on the point of order.

Mr. NORRELL. Mr. Chairman, I desire to make a point of order and then yield to the gentleman from Mississippi [Mr. WHITTEN] to be heard on the point of order, if that is satisfactory to the Chairman.

The CHAIRMAN. Does the gentleman insist on his point of order?

Mr. NORRELL. I make the point of order, Mr. Chairman, that the amendment is not germane to the pending House joint resolution; that it sets up a Claims Commission and establishes an indemnification for flood-control damages, and the House joint resolution does not do that. It is not germane to the pending resolution; either the paragraph or the entire resolution. There is nothing in it with reference to that.

The CHAIRMAN. Does the gentleman from Mississippi desire to be heard on the point of order?

Mr. WHITTEN. I do not care to be heard now, Mr. Chairman.

Mr. NORRELL. Mr. Chairman, I should like to say this in connection with the point of order. The committee appreciates the position of our colleagues the gentlemen from Kansas and Missouri, but there is an orderly procedure. The Committee on Appropriations is not a policy-making committee. The amendment is not germane, and I am compelled to insist on the point of order to that effect.

The CHAIRMAN. The Chair is ready to rule.

The amendment offered by the gentleman from Kansas would set up a new

commission. The general purposes of the amendment would be to bring about the payment of indemnities, a matter beyond the scope of the pending bill. Therefore, the point of order against this amendment would have to be sustained, as was the previous one, and largely for the same reason.

The Chair sustains the point of order.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the Missouri-Kansas-Oklahoma flood was as great a disaster to the country as would be any adversity on the field of battle. The floods caused great havoc. There is no question but that they held up the defense effort to the extent that millions upon millions of man-hours were lost, and thousands upon thousands of lives which could have been devoted to the defense effort were jeopardized so that they just could not function.

Strangely enough—or not strangely enough either, because the people of my district are generous and charitable and sympathetic to all sections of the country—I have received more mail on this Kansas flood situation than on almost any other subject, right from my own district in the past few weeks. The people are exercised, and they are very much concerned that this disastrous flood which has wrought so much havoc in the Middle West might visit itself on some other sections. Sooner or later, the people on the Susquehanna and Chenango Rivers in the Northeast will have to face the same catastrophe.

My point is this: I believe the time has come to get at the cause and to correct that before we try to effect a cure on these over-all flood catastrophes. If we create a great slush fund we can remedy overnight the flood disasters which may hit in the Mississippi Valley, in the Middle West, or in the Northeast, or anywhere else, so that we can make it a policy of this Nation to come in and assist the people, with the travail and the labors they have suffered; we could rescue them from these catastrophes.

Mr. ARMSTRONG. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield to the gentleman from Missouri.

Mr. ARMSTRONG. I wonder if the gentleman would not like to change that term to "reserve fund"?

Mr. EDWIN ARTHUR HALL. That came into my mind because we are talking about floods. "Reserve" would be more appropriate.

I endorse some sort of program which will eliminate these catastrophes, insofar as we are able to. In my particular section we have been faced with these major problems ever since I can remember. Thousands upon thousands of people, year after year, are in the same position of catastrophe that they are out there now.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield.

Mr. HOFFMAN of Michigan. What are you going to do for my constituents? We had an early frost up there, and we had a rainy season. Their tomato crop

and several other crops are all gone. What are you going to do about them?

Mr. EDWIN ARTHUR HALL. I do not know what is going to be done for the gentleman's constituents or for my constituents either, but it is my understanding that this week we are going to vote billions of dollars for people in other parts of the world, rightly or wrongly. I am not quarreling about that at the moment.

Mr. HOFFMAN of Michigan. You are going to vote for that?

Mr. EDWIN ARTHUR HALL. But they will certainly not have to do what the average American has to do in order to get assistance or relief—they will not have to take a pauper's oath and they will not have to show extreme need as the people here in this country have had to do for the past 20 or 25 years in order to get any public assistance whatsoever.

Mr. HOFFMAN of Michigan. The gentleman comes from the great State of New York, which is represented by that fighting warrior, Tom Dewey, who has been advocating giving us away. Where are you going to stand on Tom? What are you going to do about him?

Mr. EDWIN ARTHUR HALL. I will tell you after the next congressional reapportionment. I do not know what plans they have for me.

Mr. HOFFMAN of Michigan. You mean you will tell us, if you are here?

Mr. EDWIN ARTHUR HALL. That is correct.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield.

Mr. ROONEY. Does the gentleman mean to say he is not in on this reapportionment?

Mr. EDWIN ARTHUR HALL. So they tell me. All I get is what I hear from the rumor train which comes down from Albany.

Mr. ROONEY. I guess we are in the same boat.

Mr. EDWIN ARTHUR HALL. That would mean that one of the best Members in the House is to be removed. Certainly, the time has come to clarify this whole issue of control and flood disaster. These folks out in Kansas, Missouri, and Oklahoma deserve the very best treatment that we can possibly give to them because such disasters will visit other sections of the country in years to come, and they have the right to expect decent treatment from the rest of the country, just as we in New York State, frustrated as we are—I am speaking of flood control. We ought to do something to help them.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. WHITTEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I hope I am not worrying the Members of the House by taking the floor so much on this subject, but I think you have seen some examples here of what makes it so difficult to serve on this subcommittee. The feelings of those from the section of the country affected, and who know these people personally, and who realize this disaster for what it is—and it is a major disaster, is pretty hard to stand up against.

I do want to repeat here, that this committee has done everything possible under the law of the United States. It has gone further than we have ever gone before in history. All the witnesses testified insofar as rehabilitation and restoration were concerned, that you could do it better under the program which we have brought to you than under the kind of program advocated, for which there is no authority in the law.

With regard to the insurance law program, I would like to point this out. There is no authority for it. Secondly, Colonel Howse who advocated it told us "We do not have any plan." He said he had talked to one insurance man, a man connected with some underwriters organization. He said he was not at liberty to give us his name. He said this man had not yet reported back to him. I said, "Do you mean you want us to give you \$50,000,000, not only without authority, but at a time when you do not have any plan, and when the only man you have talked to has not even given you a report, and you cannot give us his name?" He said "That is what I mean." Is that sound? Now, if you were to, by legislation, provide this insurance, it will be paying after another flood happens. Is that what you should do in an area like this, or should you go in there with some flood control program and try to prevent the disasters before they happen?

Mr. COLE of Kansas. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. COLE of Kansas. The point I made in my original statement in connection with flood control was this: That limitations of time and appropriations require the Congress to select certain sites upon which flood-control projects shall be placed. Some sites will be left unprotected. Those sites and the people at those sites, in my judgment, have a right to have the same sort of consideration that these people living at the sites which have been protected have. You say why do we not go in and have flood control—yes, that is wonderful, but we are not going to get it.

Mr. WHITTEN. I say this, although flood control would be slow and might be late, eventually it would do some good. But insurance, if the Government were to write it, does not prevent anything, it just provides for a payment after the disaster occurs. I have pointed out to you here that the proponents have no plan and they have talked to only one insurance man. He has not given them a report; they are not at liberty to give us his name. The committee called the insurance people before us. They said they could not conceive of any approach under which you could get a broad enough base to get enough money to support any such program; that if you had any such program that it would amount to an indemnification, that is, a promise to indemnify a man if it happened some time again in the future, that is if by legislation you sought to provide some such program. There is none now. Let me give you a homely illustration that will illustrate what we on this committee were called upon to do. It was our view

that we are trustees of the people of this Nation, and that we are supposed to operate under the law. The chief witness of one of these agencies who appeared before us was formerly the head of a bank in Chicago which had \$32,000,000 deposits. I asked him this question:

You as president of that bank were a trustee for the safekeeping of the depositors' money; you said you have \$32,000,000 of depositors' funds in your bank and under your care. If one of your depositors had the misfortune of losing everything he had in the world and he came to you for help and you said, "We sympathize with you; we will lend you whatever you need from the funds we have here to put you back on your feet and if you are indeed wiped out, all we will require will be your own signature."

I said:

If after that you told him that his friend in Congress or elsewhere had come to you and said you were not being fair, that you should not treat it as a loan, you should give it to him as a gift out of the funds you held, what would you, as president of that institution and trustee of that \$32,000,000, say of a proposition like that?

He said:

I would say it was silly.

I asked him then:

Suppose that while you were out the vice president came in and he, learning of your action, said that your offer was not enough, and the vice president gave him the money; but then this customer's friend came to you and said, "We got the money from the vice president, the money wasn't his but he just gave it to us; but now that isn't fair because the customer might lose everything he has again and we want you to set aside in insurance an equal amount so if it does happen again we won't have to depend upon the vice president but can get the money from the insurance fund"; what would you say?

He said:

I would say he was silly.

We are trustees of all the people when we represent them in the Government of the United States. We have gone the whole way, all the way, under the authority that we have under the law that provides loans even without security, if need be, and now we are asked not only to give our unfortunate fellow citizens substantially what he lost up to \$16,000, but to guarantee him should it ever happen again; we will have money for the second loss already set aside.

I know I may get credit for being unsympathetic by taking this stand, but I believe it to be the only one we in the Congress can take.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. CANFIELD. Mr. Chairman, I ask unanimous consent that the gentleman from Mississippi may proceed for one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. CANFIELD. In the gentleman's original presentation on the floor this afternoon he indicated that there were 61 Federal agencies engaged in relief in these disaster areas. I am astonished that there are so many agencies engaged

in relief; and, consequently, I wonder if there may not be considerable overlapping; there must be a great deal of overlapping. Would the gentleman care to discuss that question?

Mr. WHITTEN. I said 61 agencies. I believe that is what was told our committee, but the testimony was later corrected to 61 bureaus and agencies. At any rate there were 61 different Government divisions which made their facilities and people available for this relief work. This was provided under the disaster-relief law, under which the whole Government can go out and do what they can without regard to whose money was being spent at time of disaster to help prevent suffering, loss of life and property. For this they have authority of law. The gentleman may be right, we may have more than enough agencies. But were we to adopt a policy under which we paid everybody for everything which they lost—that is a sufficient departure from what I understand to be the right principles of Government—that certainly you ought to have full and adequate hearings to see where it will end, for it will reach across the country; it will reach into every creek bottom, into every home, in every county in every State, and in every Territory. The annual demands would far exceed the ability of the Nation to meet them.

We do feel that we have done here all the law permits us to do. The record shows that what we have provided will restore the area more quickly than would indemnification. Let us proceed with this restoration.

If we are to embark on indemnification, let us at least do it after full and adequate soundings as to where it would lead us.

The Clerk read as follows:

DEPARTMENT OF AGRICULTURE

Conservation and use of agricultural land resources: For an additional amount, \$16,480,000, including the furnishing of services, materials, and payments for conservation and land-restoration measures, to enable the Secretary to carry out flood assistance and rehabilitation in agricultural areas, damaged by excessive rains, runoff, and floodwaters, designated by the Secretary of Agriculture as disaster areas under Public Law 38, approved April 6, 1949: *Provided*, That this appropriation may be expended without regard to the adjustments required under section 8 (e) of the Soil Conservation and Domestic Allotment Act (16 U. S. C. 590h) and may be distributed among States without regard to other provisions of law: *Provided further*, That the administrative expense limitations provided under this appropriation item in the Department of Agriculture Appropriation Act, 1952, may be increased by not more than \$1,780,000, of which not more than \$180,000 may be made available to State extension services to provide assistance through the Cooperative Agriculture Extension Service.

Soil Conservation Service: For an additional amount for salaries and expenses, \$1,960,000, for emergency restoration of channel capacity in tributary stream channels and waterways, and related measures, affecting more than individual farms, in agricultural areas, damaged by excessive rains, runoff, and floodwaters, designated by the Secretary of Agriculture as disaster areas under Public Law 38, approved April 6, 1949.

Farmers Home Administration: For an additional amount for the Disaster Loan Re-

volving Fund established under Public Law 38, approved April 6, 1949, \$30,000,000.

DISASTER RELIEF

For an additional amount for disaster relief, \$5,000,000.

RECONSTRUCTION FINANCE CORPORATION

Disaster loans: Section 4 (c) of the Reconstruction Finance Corporation Act, as amended, is hereby amended by striking out "\$40,000,000" and inserting in lieu thereof "\$100,000,000": *Provided*, That any loan, including renewal or extension thereof, under section 4 (a) (4) of such act for acquisition or construction (including acquisition of site therefor) of housing for the personal occupancy of the applicant, may be made for a period of not to exceed 20 years.

Administrative expenses: The amount authorized for administrative expenses of the Reconstruction Finance Corporation as set forth in the Supplemental Appropriation Act, 1952, is hereby increased to \$17,750,000.

Sec. 102. This act may be cited as the "Flood Rehabilitation Act, 1952."

Mr. NORRELL. Mr. Chairman, I move that the Committee do now rise and report the House joint resolution back to the House without amendment, with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COLMER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration House Joint Resolution 341, making appropriations for rehabilitation of flood stricken areas for the fiscal year 1952, and for other purposes, had directed him to report the resolution back to the House with the recommendation that the resolution do pass.

Mr. NORRELL. Mr. Speaker, I move the previous question on the House joint resolution to final passage.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the House joint resolution.

The House joint resolution was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the House joint resolution.

The House joint resolution was passed. A motion to reconsider was laid on the table.

AMENDMENT TO RAILROAD RETIREMENT ACT AND THE RAILROAD RETIREMENT TAX ACT

Mr. MITCHELL. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 428 and ask for its immediate consideration.

The Clerk read the House resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3669) to amend the Railroad Retirement Act and the Railroad Retirement Tax Act, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Inter-

state and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. MITCHELL. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN] and I yield myself such time as I may use.

Mr. Speaker, this resolution makes in order the consideration of H. R. 3669, a bill to amend the Railroad Retirement Act and the Railroad Retirement Tax Act. The bill proposes sorely needed increases in pensions and annuities for retired railroad employees. In asking for a rule on the bill the committee pointed out that there has been no raise in the payment to annuitants since 1948, and no raise in payments to survivors since 1946. The cost of living increase since these dates has been tremendous. The lag between retirement payments and costs is great and emphasizes the desperate need of those retiring after long years of railroad service.

The bill reported by the committee majority, provides briefly a 15-percent increase in annuities and pensions for retired employees, and a 33 1/3-percent increase in each of the survivors benefit. The committee, at the same time it granted the rule on the measure, reported out a resolution brought to the committee by members of the Interstate and Foreign Commerce Committee which provides for further study of the whole problem. It provides for committee appointment of an advisory council composed of representatives of the interested Federal agencies which handle the retirement acts, railroad labor unions, and informed disinterested individuals.

There is no controversy on the need for increased pensions but because there is controversy in this technical and difficult field, this rule provides for 2 hours' debate after which the bill is open for amendment so that the committee can work its will. The bill to be considered, of course, strikes out the Crosser bill and substitutes the Hall bill.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. MITCHELL. I yield to the gentleman from Arkansas.

Mr. HARRIS. As I understand, the gentleman from Washington [Mr. MITCHELL], who has charge of the rule, has just stated that at the same time of reporting a rule making this bill in order the Committee on Rules reported a resolution providing for further study on certain basic issues involved.

Mr. MITCHELL. That is correct.

Mr. HARRIS. Do I understand then it is the intention, under the announced program, for the gentleman or some other member of the Committee on Rules to call up this resolution immediately following the consideration of this bill?

Mr. MITCHELL. That is the understanding. I do not think any definite agreement or arrangement was made, but that is the understanding.

Mr. HARRIS. That was the understanding in the Committee on Rules in reporting the legislation?

Mr. MITCHELL. That is correct.

Mr. HARRIS. The majority leader, I believe, in making the statement last week on the program for this week, which is included in the RECORD of Thursday, stated the resolution would be called up immediately after the consideration of this bill.

Mr. MITCHELL. That is correct.

Mr. CROSSER. Mr. Speaker, if the gentleman will yield, there was no understanding of that kind with me, and I was there during the discussion.

Mr. HARRIS. Mr. Speaker, if the gentleman will yield further, I would like to say to my very distinguished chairman that I did not imply or intend to imply that he agreed to any such procedure or program, but I am merely relating what happened in connection with the legislation.

Mr. MITCHELL. Of course, that is a decision the House will have to make when the resolution comes up.

I have no further requests for time, Mr. Speaker.

Mr. ALLEN of Illinois. Mr. Speaker, H. R. 3669, as reported in the House, amends the Railroad Retirement Act of 1937 to provide an immediate across-the-board increase of 15 percent to all annuitants subject to it; and an increase of 33 1/3 percent in survivors' annuities. These increases are to be accomplished without raising the railroad retirement tax, already embodied in the act, above the maximum of 6 1/4 percent, effective January 1, 1952.

The committee amendment proposes no changes in the act itself except the stated increases. It leaves to the future any amendments to the classes of beneficiaries, or any correlation of the Railroad Retirement Act with the Social Security Act.

RETIREMENT BENEFITS

An average increase of 15 percent is made in the retirement annuities by increasing the percentages for computing the amount as follows: 2.76—now 2.40—percent of the first \$100 of compensation, 2.07—now 1.80—percent of the second \$100, and 1.38—now 1.20—of the third \$100. This increase applies also to minimum retirement annuities for those having more than 5 years of service.

SURVIVORS' ANNUITIES

A 33 1/3 percent increase is made in the survivors' annuities payable, first, to widows over 65 years of age; and, second, widows not of that age but having a dependent child in their care. These latter have previously received three-fourths the employee's basic amount; and will now receive an amount equal to his basic amount.

A 25 percent increase is made in insurance lump sums of employees who die leaving no one immediately entitled to a monthly annuity by setting the sum payable to the survivor at 10 times the employee's basic amount—now eight times.

For those employees who are separated from railroad service with benefits transferable to social security, the benefits

REHABILITATION OF FLOOD-STRICKEN AREAS

HEARINGS

BEFORE THE

COMMITTEE ON APPROPRIATIONS

UNITED STATES SENATE

EIGHTY-SECOND CONGRESS

FIRST SESSION

ON

H. J. Res. 341

MAKING APPROPRIATIONS FOR REHABILITATION
OF FLOOD-STRICKEN AREAS FOR THE FISCAL
YEAR 1952, AND FOR OTHER PURPOSES

Printed for the use of the Committee on Appropriations



UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1951

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REHABILITATION OF FLOOD-STRICKEN AREAS

WEDNESDAY, OCTOBER 10, 1951

UNITED STATES SENATE,
COMMITTEE ON APPROPRIATIONS,
Washington, D. C.

The committee met at 2:20 p. m., pursuant to notice, in room F-37, the Capitol, Senator Kenneth McKellar (chairman of the committee) presiding.

Present: Senators McKellar, McCarran, Maybank, Bridges, Ferguson, Cordon, Saltonstall, Knowland, Thyne, and Ecton.

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF DEFENSE MOBILIZATION

STATEMENT OF A. E. HOWSE, PERSONAL REPRESENTATIVE OF THE DIRECTOR, OFFICE OF DEFENSE MOBILIZATION

FLOOD RELIEF AND REHABILITATION PROGRAMS

Chairman McKELLAR. The committee will be in order.

This is a meeting of the committee to consider the matter of rehabilitation of flood-stricken areas in the Middle West, and at this point in the record we will insert a copy of House Joint Resolution 341, together with the message of the President.

(The documents referred to are as follows:)

[H. J. Res. 341, 82d Cong., 1st sess.]

JOINT RESOLUTION Making appropriations for rehabilitation of flood-stricken areas for the fiscal year 1952, and for other purposes

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1952, the following sums:

DEPARTMENT OF AGRICULTURE

Conservation and use of agricultural land resources: For an additional amount' \$16,480,000, including the furnishing of services, materials, and payments for conservation and land restoration measures, to enable the Secretary to carry out flood assistance and rehabilitation in agricultural areas, damaged by excessive rains, runoff, and floodwaters, designated by the Secretary of Agriculture as disaster areas under Public Law 38, approved April 6, 1949: *Provided*, That this appropriation may be expended without regard to the adjustments required under section 8 (e) of the Soil Conservation and Domestic Allotment Act (16 U. S. C. 590h) and may be distributed among States without regard to other provisions of law: *Provided further*, That the administrative expense limitations provided under this appropriation item in the Department of Agriculture Appropriation Act, 1952, may be increased by not more than \$1,780,000, of which not more than \$180,000 may be made available to State Extension Services to provide assistance through the Cooperative Agricultural Extension Service.

Soil Conservation Service: For an additional amount for salaries and expenses, \$1,960,000, for emergency restoration of channel capacity in tributary stream channels and waterways, and related measures, affecting more than individual farms, in agricultural areas, damaged by excessive rains, runoff, and floodwaters, designated by the Secretary of Agriculture as disaster areas under Public Law 38, approved April 6, 1949.

Farmers Home Administration: For an additional amount for the Disaster Loan Revolving Fund established under Public Law 38, approved April 6, 1949, \$30,000,000.

DISASTER RELIEF

For an additional amount for "Disaster relief," \$5,000,000.

RECONSTRUCTION FINANCE CORPORATION

Disaster loans: Section 4 (c) of the Reconstruction Finance Corporation Act, as amended, is hereby amended by striking out "\$40,000,000" and inserting in lieu thereof "\$100,000,000": *Provided*, That any loan, including renewal or extension thereof, under section 4 (a) (4) of such Act for acquisition or construction (including acquisition of site therefor) of housing for the personal occupancy of the applicant, may be made for a period of not to exceed twenty years.

Administrative expenses: The amount authorized for administrative expenses of the Reconstruction Finance Corporation as set forth in the Supplemental Appropriation Act, 1952, is hereby increased to \$17,750,000.

SEC. 102. This Act may be cited as the "Flood Rehabilitation Act, 1952."

Passed the House of Representatives October 4, 1951.

Attest:

RALPH R. ROBERTS, *Clerk*.

[H. Doc. No. 228, 82d Cong., 1st sess.]

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES TRANSMITTING A REPORT RELATIVE TO THE FLOOD DISASTER IN THE MIDDLE WEST OF THE UNITED STATES

To the Congress of the United States:

I request your urgent consideration of a matter of grave emergency. A great flood disaster—one of the most terrible in the history of the United States—has struck a vast area of the Middle West. The center of its devastation is the valley of the Kansas River, but destruction is spread through other Kansas valleys and parts of Missouri and Oklahoma, and has touched several of the adjacent States.

From May 15 to early July, rain fell almost constantly over an area of thousands of square miles, with the heaviest downpours concentrated in south-central Kansas. By early July, the streams and rivers of Kansas had risen to unprecedented heights. Reservoirs, where they existed, overflowed. Millions of tons of water plunged downstream, crumbling dikes and levees all along the course and sweeping away homes, farms, businesses, roads, bridges, and communication lines. The crest of the flood hit the concentrated industrial area along the river banks at Kansas City, Kans., and Kansas City, Mo., on July 13, and swept a path of destruction across the entire width of Missouri before its force was spent.

The velocity of the waters, as well as their depth and volume, was without parallel in the recorded history of the region. For the month of July, stream flow in central Kansas was 70 times normal.

The loss to the Nation along 1,000 miles of river valleys is now being measured. Already more than \$1,000,000,000 in physical damage and at least that much more in loss of income has been counted in preliminary estimates. When the final estimate is in, the toll will be greater.

I wish that every Member of the Congress could have flown, as I did, over these valleys at the height of the flood. I wish that every Member of the Congress could now tramp through the desolated cities of Kansas and drive through the wasteland where lie what were some of the richest farm acres in the world, their crops now obliterated.

It is estimated that 30,000 to 40,000 homes were flooded. Of these, some 10,000 or 15,000 are destroyed or have suffered major damage—many beyond repair.

At the peak of the flood, some two or three hundred thousand persons were driven from their homes. At least 20,000 of these are still displaced—living in schoolhouses, churches, auditoriums, trailer camps, temporary housing, or with relatives, friends, or strangers who took them in when the disaster struck.

At least 5,000,000 acres of farm land, including some of the richest and most productive agricultural land in the Nation, has been badly damaged. Land in the path of the floods was gouged and eroded, its topsoil carried away. At least 30,000 farms were wholly or partially under water—many standing under 25 feet or more at the peak and remaining flooded for many days. When the water left, thousands of acres were buried under sand and gravel. Thousands of acres are still covered by "trapped water" and must be drained. A year's crops were destroyed, hundreds of thousands of dollars' worth of livestock killed, several million dollars worth of critical farm machinery and equipment destroyed or seriously damaged.

At least 10,000 miles of fences were destroyed—enough to skirt the perimeter of the United States. Farm buildings were damaged on 17,000 farms.

At least 5,000 small businesses were completely or partially destroyed. Store and factory buildings were swept away, merchandise and equipment ruined.

More than \$1,000,000,000 of loss—in property damage, and loss of production and employment—has already been suffered by the industries that are tightly concentrated along the Kansas and Missouri Rivers at Kansas City, Kans., and Kansas City, Mo.

In many cases, particularly upstream, time was too short and trucks too few to allow families to save their furniture and other household possessions. As the crisis struck, organized effort had to be devoted to saving life. Few lives were lost, but many families today have virtually nothing beyond the clothes they wore when they fled, or were rescued from the path of the waters.

In the American tradition, neighbors have taken care of neighbors. Every refugee is being sheltered; everyone is fed. Cities not flooded have "adopted" stricken cities. States and communities with emergency Federal aid are restoring and repairing roads, utilities, and public buildings. A great national organization, the American Red Cross, has done and is doing the heroic emergency job that people stricken with disaster can always count upon. During the crisis, Federal agencies, particularly the units of the Armed Forces in the area, threw all available men and resources into the fight to minimize the destruction.

In the tremendous task of putting families and communities back on their feet, the Federal Government now can do two things: First, under the Disaster Relief Act of 1950, regular activities of several Federal agencies can be specially directed to emergency aid, and \$25,000,000 has been appropriated to assist communities in clearing debris, in health protection, in the emergency repair of public property, and to provide temporary housing and for other emergency relief. Mr. Raymond M. Foley, Administrator of the Housing and Home Finance Agency, is responsible for these funds, and for coordinating Federal Agency emergency relief activities.

Thus far, nearly \$11,000,000 have been allocated to Federal agencies and to State governments for reallocation to local governmental units. Temporary housing needs, remaining clean-up costs, and estimates now being completed by States and communities to cover emergency repairs to waterworks, sewer systems, streets, roads, bridges, and other community facilities will probably exhaust the remaining \$14,000,000, even with the fullest contributions the local governments can themselves make.

Second, a number of lending agencies, including the Department of Agriculture, the Housing and Home Finance Agency, the Veterans' Administration, and the Reconstruction Finance Corporation, can to a limited extent make or insure loans for the rehabilitation of farms, homes, and businesses.

But in a disaster of this magnitude, the combined resources now available to the Federal Government, the States, and the local communities, and private organizations such as the American Red Cross, are far from enough to accomplish the tremendous task of restoring for the Nation the productivity and economic vitality of one of its major regions.

There are two reasons why the Nation must act, and at once, to restore the stricken regions to economic health.

The first is humanitarian. The victims of the flood must be given opportunity to renew their farming, to reopen their businesses, to build new homes, to find employment, and without a crushing burden of new debt for every individual. In this land we do not take the view that a man's misfortune, suffered through no fault of his own, is his own affair, or that a stricken community shall be left to shift for itself. Normally the aid comes from local resources or from those of private relief agencies. But when the disaster spreads beyond the capacity of those resources, then the Nation itself must act to share the loss.

The second reason is that we are now engaged as a Nation in a struggle for survival, and we cannot afford to dispense for long with the industrial and agri-

cultural production that came but is not now coming from the flooded areas. The industries in those valleys turned out hundreds of products that are critical in the building of military and economic strength. Our meat supply will be seriously affected by the loss of corn and livestock, and the food supplies of not only this Nation but the whole free world may suffer from the loss of wheat.

Because of the effect of the disaster on the defense effort, I assigned to the Director of Defense Mobilization, Mr. Charles E. Wilson, the task of coordinating long-range Federal rehabilitation activities as distinguished from the emergency relief aid previously described. Mr. Alfred E. Howse, of Mr. Wilson's staff, has been directing this work in the flood area. They have seen to it that priorities have been granted for repair work in the area, and that all types of aid have been extended within the limits of existing laws and funds. The recommendations contained in this message are based upon their estimates, after a month of close observation.

We urgently need to take steps to relieve human suffering and restore economic life in this flood area, and to protect against future losses from disasters of this type.

In the long run, of course, the greatest need is for the prevention of floods, through carefully planned and coordinated programs of conservation and water control. Until flood prevention can be assured, however, other measures are urgently required to meet the needs of the present and of the immediate future.

I recommend, therefore, that the Congress at once approve an appropriation of \$400,000,000 for the following purposes:

1. To indemnify the flood victims for a portion of their loss of real and personal property.
2. To make and guarantee loans on liberal terms for the building of homes and businesses to replace those destroyed.
3. To help farmers drain and rehabilitate their land, replace buildings, and restore the productive capacity of their farms, through on-farm assistance and disaster loans.
4. To permit loans where necessary to enable State and local government participation in the rehabilitation activities.
5. To provide funds to establish a national system of flood disaster insurance, similar to the war damage insurance system of World War II.

To administer the program, I expect to establish a Flood Disaster Administration as a small policy and control body, with operating functions placed in existing Federal and State departments and agencies.

Under the circumstances, a broad degree of discretion in administering the rehabilitation funds is necessary. In this emergency, speed of action is all-important. Winter is approaching, and congressional authorization for Federal aid cannot be delayed to await the development of fully detailed plans for the administration of aid in the variety of individual circumstances that will arise. A broad legislative directive will let the stricken region know in general what can be counted on, so that individuals and communities can make plans for going ahead with rehabilitation activities.

The loan programs represent no new departure in Government policy. My recommendations will simply increase the available funds and remove certain normal limitations which are inappropriate in a disaster of this magnitude.

But loans, even on liberal terms, are not enough to meet this situation. People who lost their homes, farms, and businesses now have little or no security to offer a lender. Very few, if any, individuals or businesses had any insurance protection against their flood losses. Generally speaking, private insurance companies have not offered such protection, because of the uncertain nature of the risk. Consequently, many people were left after the flood with nothing, or with nothing but their debts. If they could borrow more, new loans added to the old ones would create a debt burden that for an indefinite time to come would be a drag on the economic vitality of the region and would impair its ability to contribute to building our national security.

For these reasons, I consider it essential to provide some rehabilitation grants, directed particularly to assist wage earners and small farmers and businessmen, whose losses in this flood represented personal financial tragedy. To accomplish the most in rehabilitation with the money available, the indemnity program should provide a sliding scale. For example, on the first \$10,000 of loss (after deducting a standard amount of perhaps \$200), the payment might be 80 percent on the next \$10,000, 60 percent, and so on, with a maximum payment of perhaps \$20,000 for any one claimant. The ceiling would exclude the bulk of the industrial losses, but it would enable individuals and small businesses to make a prompt new start.

Fortunately, most of the large industrial concerns affected have other resources; and many are, in fact, already proceeding with reconstruction of their plants.

As part of the rehabilitation program, local redevelopment plans should be required in some cases to assure that rebuilding does not take place in areas subject to recurrent flooding. For example, some of the devastated urban areas could best be converted to parks, recreation areas, or other public uses to minimize the amount of investment in construction on flood plains.

The whole aid program must be carried out on a basis of joint participation by Federal, State, and local governments. The States and cities that are affected have already spent much in restoring their own public services. Nevertheless, the States, and where possible the cities, should share the cost of the whole program on some equitable basis.

The lack of a national system of flood-disaster insurance is now a major gap in the means by which a man can make his home, his farm, or his business secure against events beyond his control. It is a basic requisite to the rapid reopening of plants in the flood region, where dikes cannot be rebuilt for some months, and companies are unwilling, in some cases, to undertake the risk of being inundated in the meantime.

The system of flood insurance should be based, if possible, upon private insurance with reinsurance by the Government. This was the principle of the war-risk insurance in effect in World War II. It depends, of course, upon the demonstration by private insurers that they can meet the needs of those seeking insurance at reasonable rates.

Once the system of flood insurance is in effect, there should be no need in the future for a program of partial indemnities such as is now proposed for the Midwest flood victims. As a permanent national policy, insurance is far superior to direct Federal payments.

Suggested appropriation language to carry out these recommendations is attached to this message.

The major features of the indemnification proposals I am making are similar to those already introduced in the Congress by Senator Hennings and Representative Bolling of Missouri. The principles incorporated in all my recommendations have the support of the Governors of Kansas and Missouri and of the Governors' advisory committees which represent major groups within the two States. They will revive a region of the Nation now badly hurt—a region of such importance to the security and welfare of the whole country that its revival must be the immediate concern of all our citizens.

I urge the adoption of this program as an emergency measure. Whatever is done must be started with the greatest speed.

Homeless families must be rehoused quickly. Industrial production and transportation must be restored. To avert the loss of next year's farm production from much of the flooded land, drainage ditches must be opened, debris cleared away, and silted soil seeded to cover crops in the remaining 60 to 90 days before winter sets in. Tax resources of States and communities must be reestablished.

In all of these things, we must move quickly. Every day counts.

HARRY S. TRUMAN.

THE WHITE HOUSE, August 20, 1951.

FUNDS APPROPRIATED TO THE PRESIDENT

REHABILITATION OF MIDWESTERN FLOOD-STRICKEN AREAS

For expenses necessary to enable the President, through such agencies of the Government (including new agencies which the President is hereby authorized to create) as he may direct, and under such regulations as he may approve, to provide for and to take such measures as he may deem necessary for relief and rehabilitation in the areas declared by the President during July and August, 1951, to be disaster areas because of floods, including (a) partial indemnification for physical loss of, or damage to, such tangible real or personal property as may be deemed administratively feasible, but such indemnification (1) shall not exceed \$20,000 for all claims of any one person and shall in no case exceed 80 percentum of an amount equal to the cost of replacing, rehabilitating, repairing, or reconstructing such property (less depreciation), (2) may be required to be contingent upon financial participation of State and/or local governments and compromise of creditors' claims (including claims of Federal agencies which are hereby authorized to be compromised without consideration), and (3) shall be adjusted on

account of any assistance, compensation, insurance, or other reimbursement received or due on account of such loss or damage; (b) loans to State and local governments, on such terms and conditions as may be deemed necessary, to enable financial participation by such governments in the indemnification program authorized herein; (c) direct loans, or the guaranteeing of loans made by any public or private financing institution, upon such terms and conditions as may be deemed necessary, for rehabilitation of houses, farms, and private businesses; (d) conservation and land restoration measures; (e) personal services, without regard to the civil service laws; (f) hire of passenger motor vehicles and aircraft; (g) advance of funds under section 11 of the Act of August 2, 1946 (31 U. S. C. 529); (h) expenses of attendance at meetings concerned with purposes of this appropriation; and (i) services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); \$400,000,000, to remain available until June 30, 1952: *Provided*, That prior to the payment of any indemnity, or the granting or guaranteeing of any loan under this Act, the recipient thereof, or the cognizant State or local government, may be required to provide reasonable assurance of the relocation, reconstruction, replacement, rehabilitation, or repair of the damaged property so as to provide reasonable protection against the recurrence of flood loss or damage to such property, or the indiscriminate redevelopment thereof, and for these purposes there may be acquired by purchase, donation, other means of transfer, or condemnation, and without regard to section 355 of the Revised Statutes (40 U. S. C. 255), land which is subject to recurrent flooding, and such land may be utilized or disposed of in such a manner as to reduce the likelihood of further serious flood damage: *Provided further*, That any indemnification made pursuant to the provisions of this appropriation shall be final and conclusive for all purposes: *Provided further*, That the authority conferred by this appropriation and the funds provided herein shall be supplementary to, and not in substitution for, nor in limitation of, any other authority conferred or funds provided under any other law: *Provided further*, That the functions and duties exercised under this Act shall be excluded from the operation of the Administrative Procedures Act (60 Stat. 237), except as to the requirements of section 3 thereof.

FLOOD-INSURANCE REVOLVING FUND

There is hereby created the "Flood-insurance revolving fund", which shall be available, without fiscal-year limitation, for all expenses necessary for the establishment and operation of a Federal flood-insurance program to provide insurance and reinsurance (when not otherwise available at reasonable rates and upon reasonable conditions from private sources) against damage to, or loss of, private property (including that owned by State or local governments) from floods occurring within the United States or its Territories, including expenses of attendance at meetings concerned with the purposes of said fund; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); advance of funds under section 11 of said Act of August 2, 1946 (31 U. S. C. 529); and purchase and hire of passenger motor vehicles. Said program shall be administered by such agency of the Government (including new agencies which the President is hereby authorized to create) as the President may direct, and shall be operated under such regulations as he may approve. For the foregoing purposes, there may be transferred to said fund, from the appropriation for "Rehabilitation of Midwestern Flood-stricken Areas," such amounts as the President shall determine to be necessary, which shall remain available without regard to the limits of disaster areas. In addition, said fund shall be credited with all net receipts from insurance premiums, salvage, or other recoveries from insurance activities thereunder, and there are authorized to be appropriated such additional amounts as may be required: *Provided*, That any insurance or reinsurance issued under said fund shall be based, insofar as practicable, upon consideration of the risk involved, and said program shall utilize to the maximum extent possible the facilities of private insurance companies: *Provided further*, That reinsurance shall not be provided under said fund at rates less than, nor obtained under said fund at rates more than, the rates established by the Government on the same or similar risks or the rates charged by the insurance carrier for the insurance so reinsured, whichever is most advantageous to the Government, except that there may be made to the insurance carrier such allowances for expenses on account of the cost of services rendered or facilities furnished as may be deemed reasonable to accord with good business practice, but such allowance to the carrier shall not provide for any payment by the carrier on account of solicitation for or stimulation of insurance business: *Provided further*, That such program of insurance shall be so administered as not to serve as an inducement for indiscriminate investments in facilities in areas which are subject to recurring floods.

FLOOD LOSSES

Chairman McKELLAR. At this time we will hear the first witness, Mr. A. E. Howse, the personal representative of the Director of the Office of Defense Mobilization.

Mr. HOWSE. My name is A. E. Howse, and I am the personal representative of the Director of the Office of Defense Mobilization. I am appearing here this afternoon in support of the President's message which was sent to the Congress on the 20th of August requesting the sum of \$400 million for certain flood relief and rehabilitation programs in the Middle West. We have prepared a justification of the request which is in the process of being furnished to the committee. I think they have arrived up here about the same time that the witness did, Mr. Chairman.

Chairman McKELLAR. That is all right, we will pass them around.

Mr. HOWSE. I think that I have also some summaries which, without all of the voluminous attachments, might give the story here. You know we were criticized by the House because the presentation was not complete enough.

Mr. Chairman, the situation, if I may summarize it for the committee, is briefly that the recent flood in the Middle West, measured in dollars, is the greatest single catastrophe in the history of this country. It entailed a loss, as we now understand it, of \$2.5 billion, as compared with approximately \$450 million in the 1937 flood and approximately \$275 million in the 1927 flood. The measurement in loss of lives, I am happy to say, is substantially less.

The area involved comprises some 5 million acres of land directly under water, extending over 1,000 miles in length, and involving some 30 million acres of upland that was badly eroded in the watershed area, and some 140 cities and towns which were either completely or partially inundated.

I have here as a matter of information for the committee a map of the area in which the rivers are shown in red.

Chairman McKELLAR. Is there a copy of that with each presentation on this?

Mr. HOWSE. There will be a copy attached to each one, and this is a larger one that we received from the Department of Commerce. I will furnish one of these to the committee.

DISPLACED PERSONS

At the height of the disaster some 385,000 people were displaced by water. As far as we can estimate at the present time, approximately 6,000 businesses were washed out. Probably the most tragic loss of all are the 45,000 homes in the area that have either been demolished or that have received major or minor water damage. I can say to you categorically that there are areas in the central part of this country that are comparable in appearance to the bombed urban areas in Europe during World War II. As a matter of fact, if you could see them I think that you would agree with me that it would be impossible to distinguish between the devastation and

disaster in our own country and the bombed areas in Europe during World War II.

With respect to the direct farm loss, we have lost at one blow this year between 7 and 8 percent of our entire wheat supply.

Chairman McKELLAR. Is that wheat?

MEAT SUPPLY LOSS

Mr. HOWE. Yes, sir. And we have lost between 5 and 6 percent of the pork supply, and between 1 and 2 percent of the beef supply for the country as a whole. The cereal grain loss alone, gentlemen, is equivalent to approximately 5 billion loaves of bread. These losses come at a time when I am sure that you gentlemen know that our grain reserves are below normal.

In view of our foreign commitments for grain, this loss is a very serious problem. I don't want in any sense of the word to be an alarmist, but in my own considered opinion if we should have a crop failure next year the specter of food rationing could easily be before us.

INDIRECT LOSSES

In addition to the 2½ billion dollars direct loss, which is only an approximate measurement, there will be at least \$1 billion further loss in indirect or intangible losses—wages, income, dividends and taxes. The unemployment insurance claims in the State of Kansas alone have increased 100 percent and they have increased in the State of Missouri somewhat in excess of 50 percent. The sales tax returns in the State of Kansas, which taxes are the State's principal source of revenue, dropped nearly \$500,000 in July.

The Treasury Department has estimated that the Federal income tax loss from this area as a result of the loss of operating income or revenue will approximate at least \$250 million. Our concern over the area, and I would like to make this quite clear today if I can, is first the serious loss of direct defense production and the defense-supporting production and services that come from this same area.

Chairman McKELLAR. Can you break that down a little bit, please?

Mr. HOWSE. Senator, I will be glad to, but I don't quite know how you mean. We have direct defense contracts in the area, but the indirect activity in the area, consists of the food production, and the livestock production and the railroad transportation services and the myriad of services in the area that in turn directly support the defense production effort, I could list those as long as the stenographer could take notes, almost.

Chairman McKELLAR. Well, your defense production, addressing that to the item that you are now discussing, I take it would be largely in food products.

Mr. HOWSE. Principally in food products. There are a number of defense installations in the area, and there are a number of atomic installations in the area. The area, however, is primarily an agricultural area rather than an industrial area.

Chairman McKELLAR. That is what I thought.

Mr. HOWSE. And it so happens that there is a most peculiar or unusual situation in the Kansas City area. The great bulk of the industry for those two States is located directly in the river bottom

areas that were affected by this flood, so that a far greater amount of industry in the area was affected by the flood than might otherwise have been expected. Second, we are concerned because of the severe dislocation of the Nation's economy that will result if rehabilitation in this area is long delayed. I should point out to you gentlemen that these economic aspects are separate and apart from the individual humanitarian demands of the situation with which we in the Office of Defense Mobilization are not primarily concerned at this time.

EXCESSIVE RAINFALL

The flood had a most unusual background, which I think I should explain to you, in that it had an unusually long build-up. It rained almost constantly for 53 days and nights. In some parts of the area as much as 12 inches of rain fell within a 24-hour period. The result was that streamflow in the State of Kansas was nearly 70 times normal during the month of July. At the peak of the flood on Black Friday, July 13, there was in the area a recorded volume of water greater than at any time in the history of this country. More to the point, however, there was recorded a velocity of water—because of the long period of rainfall, the fact that all of the streams and rivers and reservoirs were full and there literally was no place for the water to go except into the flooded areas—there was a recorded velocity of water in the Kansas City area of 500,000 cubic feet of water per second, which is an almost fantastic velocity of water.

The result was that the water boiled through this entire area and tore out installations that would almost defy your imagination. The water did not come up gradually and go down gradually as it does in some floods. In the Kansas City area alone, of the 12 principal railroads operating in one of the largest freight centers in the country, 11 were out of business entirely for from 10 days to 4 weeks. While today, nearly 90 days later, insofar as the public is concerned, operations are on a normal basis, the fact remains that the railroads are operating on each other's track, using each other's bridges, and using each other's signal equipment. Some 10,000 boxcars were involved at the height of the floodwater. Of this number approximately 5,000 were filled with merchandise. We lost in this one disaster 2 million boxcar-days for the country as a whole.

DISASTER RELIEF APPROPRIATIONS

At the request of the Governors of Kansas and Missouri, the President declared a national disaster, in accordance with the terms of Public Law 875, commonly known as the Disaster Relief Act. In accordance with Executive Order 10221, dated March 2, 1951, the authority for the administration of disaster relief already had been placed in the administrator of the Housing and Home Finance Agency. On the 14th of July, or the next day after the peak of the flood in the Kansas City area, the President directed Mr. Raymond M. Foley, the Administrator of the Housing and Home Finance Agency, to proceed in accordance with his authority under the Disaster Relief Act.

On the 18th of July, the Congress by joint resolution appropriated \$25 million for disaster relief purposes. On the 19th of July the President delegated Charles E. Wilson, the Director of the Office of

Defense Mobilization, the authority "to direct and coordinate the activities of the Federal departments and agencies toward the restoration of the general economy in the area."

EMERGENCY FLOOD COMMITTEE

On the 20th of July, Mr. Wilson designated A. E. Howse as his personal representative with "full authority to take such action as might be necessary." There was immediately established in Washington an emergency flood committee consisting of every single agency of the Government that might conceivably have something to do with flood relief or flood problems. Simultaneously there was established in Kansas City a similar committee which consisted of some 61 departments, bureaus, and agencies of the Federal Government. These committees were composed of representatives delegated by the heads of their agencies to make immediate decisions with respect to flood problems. It was decided at that time, and in retrospect I think the decision was a sound one, that rather than to establish a completely separate flood administration of some sort, we would utilize the vast resources of the existing bureaus, departments, and agencies of the Government. Operating through these two committees we met the emergency head-on.

WATER AND FIRE DAMAGE

Gentlemen, generally speaking, the flood problems divide themselves into three categories. The first phase comprises the struggle for existence against water and fire. These elements were combated by the Corps of Engineers and by the entire resources not only of the States, counties, and cities concerned, mobilized into a single effort, but by all of the resources, except one, of the Department of Defense installations in the area. That one—Fort Riley, Kans.—had its own severe flood problems to contend with. At the peak of the effort nearly 20,000 Federal troops or service personnel were involved. The Air Force and the Navy air-lifted nearly 3,000 tons of material into the district, including drugs and serums essential for health purposes. A remarkably small loss of life was present among some 385,000 people displaced by floodwater, which is a silent tribute to the combined efforts of the Federal forces and the personnel of the States and municipalities affected by the floodwater. In this connection it may be pointed out that the civil defense programs existing at the time of the disaster were completely inadequate to cope with the emergency. A disaster transversing more than one State line and extending through multiple city limits presented the sort of problem for which no adequate preparation had been made. It is my personal view that only the timely and extensive use of military forces prevented undue loss of life. In this respect it may be pointed out that the entire civil defense program is based on the theory that in hostile attacks the military will be otherwise occupied and the burden of civil defense will be placed on a civilian voluntary organization.

Also, it is quite apparent that the States themselves must develop their own legislation for disaster purposes which can be immediately available, perhaps in a manner similar to the disaster laws now in effect in Nebraska and Minnesota.

IMMEDIATE RELIEF IN STRICKEN AREA

The second phase embraces the alleviation of misery and human suffering and the immediate relief necessary for food, shelter, and health. The combined action of the various Federal, State, and city agencies not only contributed some measure of comfort to the stricken people, but it appears that a miracle was accomplished. Flood sufferers were fed, clothed, and housed in such shelter as was immediately available prior to the furnishing of trailers and various temporary housing accommodations. People were housed in schools, churches, municipal auditoriums, tents, basements, and virtually every kind of habitation available in that area. When you bear in mind that this disaster occurred at the height of the summer season in Kansas and Missouri, where the temperature was well over 100°, and you bear in mind that some 385,000 people were made homeless; when you bear in mind that in the city of Kansas City, Mo., alone, there were 10,000 carcasses of dead animals scattered through parts of the city after the demolition of the stockyards; when you bear in mind that entire water supplies and entire sewage and sanitary facilities of many towns through that area were completely destroyed and when you remember that there were no mass epidemics or plagues as a result of this flood, I think you may be inclined to agree with me that the emergency relief operations under Mr. Foley were very well handled.

The disaster relief program is discharged generally speaking through the States and municipalities and the Red Cross, with the Federal agencies furnishing the funds on a reimbursable basis in accordance with approved programs.

RECONSTRUCTION

The third phase includes the problem of the rehabilitation of the economy of the area. Transportation, communications, industry, agriculture, had been paralyzed in this district in a manner never before experienced in this country. The gigantic task of reconstruction was started even before the floodwaters subsided. An order of essentiality was established and experts and supplies were flown into the region in ever increasing volume until rail transportation could be reestablished. Emergency offices were created in Kansas City and rehabilitation teams visited each town in the area to provide such immediate assistance with respect to materials and financing as the need indicated. Federal regulations and controls were relaxed where necessary and this entire flooded area was granted first priority on all goods and services in this country, subject only to the most critical defense projects.

AMOUNT REQUESTED FOR FLOOD REHABILITATION PROGRAM

On the 20th of August, the President sent a special message to the Congress recommending a complete program of rehabilitation and requesting an appropriation of \$400 million with which to carry out the program.

The program generally speaking divides itself into three parts, but before getting into the program itself I would like to point out to you, if I may, the manner in which the program was developed.

The Governor of each State was asked to appoint a flood advisory committee. In order that these committees might be truly representative of every segment of the economy in each State, the membership was predetermined by function. In other words, the State head of the department of health automatically became a member. The State head of the department of agriculture automatically became a member. The head of the State chamber of commerce, the head of the State AFL and CIO organizations automatically became members. We ended up, gentlemen, with a 25-man advisory committee in the States of Kansas and Missouri which I felt at the time, and feel even more strongly now, were in fact truly representative of all of the segments of the economy in each State and comprised some of the best brains in each State.

In the city of Kansas City, Mo., we established a financial advisory committee under the chairmanship of the president of the Kansas City Federal Reserve Bank. The plan which the President has recommended to the Congress is a plan which has been supported almost unanimously not only by the State committees and the local financial advisory committee, but by the various departments and agencies of the Federal Government represented in Kansas City, and which are represented on the Washington flood committee.

REHABILITATION LOANS

First, the President's message contemplates that of the \$400 million, some \$160 million will be made available to farmers, home owners, and business people in this area on a liberal loan basis for rehabilitation purposes.

Senator FERGUSON. You mean loan to be repaid?

Mr. HOWSE. I mean loan in the sense it is to be repaid.

Senator FERGUSON. And not in the sense of a grant?

Mr. HOWSE. It is not grant money.

Senator THYE. Would this be confined just to the two States, Missouri and Kansas?

Mr. HOWSE. Senator, there are four States that are affected, principally Kansas and Missouri, but parts of Illinois and Oklahoma.

Senator THYE. We had some very serious floods in the upper part of the Mississippi earlier in the spring. Of course these eventually augmented the flood situation down in your area or in the area of Kansas and Missouri when the rains fell excessively there. But early in the spring we had a flood that was very devastating in North Minnesota and if one's personal property is torn and shattered by the flood it is just as effective to him alone as it would be to an individual or person alone in another area. We had the same situation up farther north at East Grand Forks and Cushing, Minn., just the previous year, and they are still laboring under the losses occurred both to city and personal property as well as county and township in those floods. I just wondered whether this bill here, or this type of a relief could be used in other areas where a similar devastation occurred.

Mr. HOWSE. Senator, under the legislation as recommended—well, let me go back and give you a long answer, and I don't mean to give you a double-talk answer, either, but it will take a long one to cover that point.

Senator THYE. You see, to those of us who represent some of the other States of the Union, we also have seen property demolished and

it is every dime that an individual has to his name and all of the credit that he had been able to obtain, and that property is just shattered by that floodwater, and he has lost all, including personal property, and then that individual is hurt just as badly as if he was located in another area of the United States and got the same devastation.

I am entirely in accord and in sympathy with the question here because we have lived through it now for 3 years, and the floods occurred up north not only in 1950 but again in the spring of 1951. We suffered it then and I personally witnessed the damage. Therefore I can fully appreciate what it is like down where the area was much harder hit and the municipalities and all of the utilities were destroyed along with that individual personal property, because where you get a vast area, it has destroyed the opportunity of a livelihood or a job, whereas if the area is more confined it doesn't affect the opportunity of employment like it would in the larger area.

But nevertheless, his loss is there, and we have wrestled with it and we have had to just stand and say to those folks, well, now, these loaning agencies that you can turn to, and the Red Cross, have taken care of your bedding and personal clothing to a limited extent, but you turn to those loaning agencies and get your loans and the township had lost their highways, and lost their bridges, and they had no place to turn to.

Mr. HOWSE. I see very well.

Senator THYE. I am in sympathy with yours but it is a little difficult for us outside of that area to explain that we propose to do this and to make available long-time loans and a low interest rate to meet this emergency, but we do not do the same thing elsewhere where the loss was just as severe.

Senator McCARRAN. In other words, disaster is disaster no matter where it is.

Senator THYE. I have found it to be that way regardless of where it struck, regardless of the vastness or the limited amount of it. That is the only disturbing factor that I am faced with. I shall vote and support the relief measure here, but when I do I have got an immediate problem of explaining why so generous down here when it was obvious Congress was not as generous up in this area. That is what I am faced with, and I am sure that every one of you can appreciate exactly what it is.

Senator FERGUSON. What is the explanation to that? The damage suffered by one individual is just as great whether or not his neighbor suffered damage or not.

Mr. HOWSE. I couldn't agree with you more. The result to the individual is identical whether it is in this section of the country or in some other section of the country.

Senator FERGUSON. Or one or many.

Mr. HOWSE. The difference may be in this particular case not that we shouldn't have done something for the previous disasters, but that now we have one of such magnitude in the middle of the defense effort that we must do something about it and that it will not cure itself.

Senator FERGUSON. Then you would say we are going to have a new start and now in the future it will apply to one individual or many individuals.

DISASTER INSURANCE PROGRAM

Mr. HOWSE. I would say to you that the second point of the President's program is a system of national flood insurance.

Senator KNOWLAND. Right at that point, Senator Ferguson pointed out that disaster is disaster and of course it could be just as devastating if it were a typhoon in Florida, or an earthquake in California, when you get down to it, and we are going to have a disaster insurance program that will meet any disaster which might strike or is this going to be limited exclusively to floods?

Mr. HOWSE. The recommendation here is that it be limited exclusively to floods. We have a windstorm type of insurance available for private purchase and we do not have available for purchase today, generally speaking, flood insurance.

Senator FERGUSON. You mean the private concerns that are taking windstorm and tornado, and so forth?

Mr. HOWSE. Yes, sir. Whereas they are not taking, generally speaking, flood insurance, nor can they under our present way of doing business in the insurance field, and I am not expressing any criticism either way.

Senator FERGUSON. Are there any laws in the States prohibiting flood insurance?

Mr. HOWSE. Senator, there are no laws in those States, but there are certain very practical difficulties in having 48 different State insurance commissions. The starting of a completely new program across the country, I am told by the insurance people, is a very difficult piece of business. The main difficulty with respect to flood insurance is, as I understand it, there is about \$220 billion of property insured against hazard in this country now, and the reserves of the insurance companies are insufficient to insure the amount of property that would have to be covered by flood insurance.

PRIVATE INSURANCE FACILITIES

Senator FERGUSON. I note in there that you have in mind that you shall utilize to the maximum extent possible the facilities of private insurance companies, indicating or having in mind that you must feel that private insurance companies will insure against private flood damage.

Mr. HOWSE. Specifically what we had in mind, Senator Ferguson, was a type of insurance similar to or comparable to the war-risk insurance programs adopted during World War II.

Senator FERGUSON. That the insurance company would take the insurance, and pass it on to the Government as a liability, and they did the writing.

Mr. HOWSE. They acted as an agent for the Government. Now, there are two ways in which it could be done, as I understand it, one that the insurance company would insure the risk, and then be reinsured by an agency of the Federal Government. The difficulty with that approach is that the reinsurer, the Federal Government, and the insured, may have points of view with respect to losses that are different from the insurer.

Senator CORDON. Is this not a matter clear without the jurisdiction of this committee, that it a matter of substantive law? We could not

make an appropriation on that basis if we wanted to. There is no authorization available to justify us in an appropriation in that field. I would hope that we could stay within the province of the committee to furnish funds within a statutory authorization that must govern us and get down to the meat of it.

LANGUAGE IN APPROPRIATION BILL

Senator McCARRAN (presiding). I don't understand that we are called upon to enact substantive law.

Senator CORDON. Is not some of this money intended to be used for this purpose?

Mr. HOWSE. Yes, sir.

Senator FERGUSON. This money that we are asked to appropriate is to be used for the purpose, and where is the statute that allows the appropriation?

Mr. HOWSE. I believe the President's message contemplated that this would be treated as an emergency matter in somewhat the same manner that relief measures have been in the past, and it would be handled as an appropriation measure.

Senator FERGUSON. Then you would expect us to pass substantive law with the appropriation bill, and it is always subject to a point of order, and if overruled it is carried by two-thirds.

Mr. HOWSE. That is right.

Senator FERGUSON. That is what you have in mind?

Mr. HOWSE. That is what we have in mind.

Senator CORDON. You have in mind treating this as a legislative committee. I think it is a waste of time, and I think we had better get down to the meat of the case.

Senator McCARRAN (reading from the President's message):

That Congress approve and appropriate \$400 million for the following purposes: (1) to indemnify the flood victims for a portion of their loss; (2) to make and guarantee loans on liberal terms, and so forth; (3) to help farmers drain and rehabilitate the land; (4) to permit loans which will enable States and local governments to participate; and (5) to provide funds to establish a national system of flood-disaster insurance similar to the war damage insurance system of World War II.

That is part of the message.

Senator THYE. Then, according to that, Mr. Chairman, that is not confined and would not be confined to Missouri and Kansas and Illinois.

Senator McCARRAN. It is a general proposition.

Senator THYE. In other words, if in the event someone could establish that they had lost their property in Minnesota they would be justly entitled to be given consideration under that relief measure as if they were located in the area.

Senator KNOWLAND. I think only insofar as future insurables are concerned, but I do not take it from the testimony that this would permit people in other areas to come in under the relief provisions.

Senator THYE. You see, the floods occurred in Kansas and Missouri about 3 months following the floods that occurred at North Mankato, Minn., and, of course, we had a flood at East Grand Forks that was very devastating in the spring of 1950. So what occurred in 1950 and what occurred in 1951 in the spring, and what occurred in the fall or summer

of 1951 in Kansas and Missouri is all more or less tied in, and I was just wondering whether this act was applicable to all of the Nation, or whether it was confined specifically to what was recognized as the Kansas-Missouri flood.

INDEMNIFICATION OF FLOOD LOSSES LIMITED TO FOUR STATES

Mr. HOWSE. Gentlemen, I believe I can clarify that point for you, at least to the extent that I can express the intent of the administration. That is that the indemnification feature of this particular proposal be limited to the four States that have been declared disaster areas in this particular disaster.

Senator THYE. But you do, however, recognize that you put those of us representing States that had suffered some of the same devastation only a few months before in a peculiarly disadvantageous position. They are looking to us to see that this Government is just as generous to them as they are to Missouri or Kansas. Do you not realize that and the predicament that I am in as a representative of my State?

Mr. HOWSE. I recognize the predicament, and I would be less than candid if I did not say I did.

Senator McCARRAN. The language here in the House report—I have it here in my hand—says:

The President in four official declarations has defined the flood disaster area to include the States of Kansas, Missouri, Oklahoma, and certain counties in Illinois.

and now that was under the President's message or messages or official declarations. The area that the House was considering is included there.

Mr. HOWSE. Gentlemen, the flood-insurance program, however, is intended to be national in scope.

APPROPRIATION REQUEST UNAUTHORIZED

Senator SALTONSTALL. Mr. Chairman, if you read the President's message, may I say most respectfully, on pages 6 and 7, there are two questions. One, they draft in the form of an appropriation of funds for rehabilitation, and they have, two, flood insurance revolving funds and there is hereby created flood insurance revolving funds which shall be available anywhere. That obviously is legislation, while the first is an appropriation. I would say that it would seem to me that the difference between the flood appropriation for flood devastation is within legislation for relief, and this insurance thing is a question of authorization of new legislation. I think Senator McCarran's point is well taken.

Senator McCARRAN. It says expenses necessary to enable the President through such agencies of the Government, including new agencies which the President is hereby authorized to create as he may direct and under such regulations as he may approve, to provide for and to take such measures as he may deem necessary for the relief and rehabilitation of the areas declared by the President during July and August of 1951 to be disaster areas because of floods, including a partial indemnification for physical loss of or damage to such tangible, real or personal property as may be deemed administratively feasible, with such indemnification shall not exceed \$20,000

for all claims of any one person and shall in no case exceed 80 percent of any amount equal to the cost of replacement, and so forth.

The message of the President undoubtedly calls in one phase of the message for substantive legislation, which is not the function of this committee. However, there is a phase of it that can be dealt with by this committee.

Senator CORDON. Mr. Chairman, I had an opportunity before this session to read not only the House resolution which sometimes one does not get, so to speak, an opportunity to see until the middle of the hearing, and also the House report on this matter. Frankly, I am inclined to believe that the House has approached this in the only way that an appropriation committee can approach it. By providing relief in the fields where there is authority in substantive law to do that.

So I hope that perhaps the committee could reach some conclusions in that field, and then limit our inquiry to the field where this committee can function.

Now, I have no doubt that legislative committees ought to go into the other fields, and I am quite sure they will go into them, and I am inclined myself to believe that even in the matter of grants we have no precedent or authority. But that is a matter that we can determine later.

With reference to setting up of agencies or insurance policies, those are legislative matters, that not only the legislative committees must consider, but which I feel in view of the fact that this is a matter of national importance and reaches all of the people in the Nation, they ought to consider and consider it at very great length before action is taken. Under the circumstances, I would hope that we could follow generally the approach that the House took, which was to make available funds under existing authorizations, and now the House itself made an exception to its own rules when it amended the provisions of the existing law with respect to the extending of the time limit for RFC loans. However, it comes to us as an action taken by the House and we can follow it in that field. I doubt the wisdom of going as far afield as that if we expect to get anything done for these people that need it at this time.

Mr. HOWSE. Mr. Chairman, may I make this observation to the committee as respectfully as I know how to make it. I am not a legislative expert, nor indeed am I an expert in any other field either, insofar as I am aware, but the fact remains that we have a large section of this country lying prostrate at the present time.

Senator McCARRAN. How rapidly is it pulling out?

Mr. HOWSE. It is not pulling out at all, Senator, at the present time. We are in the middle of a defense effort, and we have got some \$70 billion in defense orders on the books at the present time, and we have got about \$60 billion more coming up that we know of, and to those of us that are charged with the defense mobilization program I will tell you very candidly that it is unthinkable to us that for the want of one or two hundred million dollars we would jeopardize the entire program.

Now, I will be perfectly candid with you, I don't know what the law is. Nor am I a career Government man. I am down here with Mr. Wilson because I feel very strongly, the same as he does, that we are on borrowed time and we do have a situation—regardless of what you want to call it or how you are going to cure it—we do have

a situation that cannot be cured by ignoring it. You could disregard the humanitarian aspects of this thing altogether——

Senator THYE. That we should not do; that we should not do.

Mr. HOWSE. No; but for purposes of this discussion I can say to you now that on a purely food and defense production basis alone, and disregarding entirely the humanitarian aspects for a moment, we think this job has got to be done with the utmost speed, and I would say to you also very candidly, Senator, that the length of time that has elapsed between the 20th of August and today is absolutely appalling.

FEDERAL FLOOD INSURANCE PROGRAM

Now, there are three facets of this program. I have mentioned to you first the loan program. Second, there is the program of Federal flood insurance. Flood insurance is not now generally available to the average home owner or businessman and it is a gap in the entire program of insurance by which he can insure or guarantee his home or his business. In my own view, it is very similar to the war risk insurance program where the causes of damage are beyond the control of any one person, and are so great as to require the resources of the Federal Government to shore up the insurance industry.

Now, I would say to you and I would be glad to go back at the proper time and develop the insurance program for you as thoroughly as you care to, but I would say to you that it is entirely possible in my personal opinion, out of the \$50 million revolving fund, that the Government could get all of the money back at the end of 5 years, if there were no undue or unusual losses within the first 5-year period.

Senator THYE. However, if I may interrupt, that would not give you any relief in the devastated area now, and you are only thinking now about a future year, is that not true?

Mr. HOWSE. Not entirely, Senator, because in my view the need for flood insurance is critical in this area to enable or to persuade or to——

Senator THYE. It would be an incentive.

Mr. HOWSE. To go back and rebuild.

Senator THYE. That is the only way you are going to get reconstruction, is that your contention?

Mr. HOWSE. That is my conclusion. We have about 6,000 businesses in that area that have been washed out; some of the larger ones have reopened, most of them on a temporary basis. I don't know of a single industry in that entire valley, the 1,000-mile length that has been under water, that is completely rehabilitated to the extent that they were prior to the flood. We have many businesses in that area that are operating out of the second story today, and they are operating out of portions of their plants, and the other parts of the plant are still piled up with mud and debris and rubble.

The businesses that are operating are for the most part the larger companies, and those that are operating and those that are not operating are waiting to see what can be made available to them in the way of flood insurance before they decide whether to rebuild or the extent to which they will rebuild or whether to abandon the area entirely.

Senator McKELLAR. We want to help you in every way we can, and that I think is the attitude of every member of the committee, and we have the greatest sympathy for you and we want to help in every way we can. I think that your two Senators will say that; they have been most diligent in all of their efforts, and I know they will continue to be. I think I would go over these matters with them before you return.

Mr. HOWSE. Thank you.

Senator McCARRAN. There are two phases of the proposal, as I understand it. One is to try to appropriate money to take care of a disaster already in existence, and the other is to look to future years by way of legislation in setting up insurance against such a disaster again. I think this divides itself into these two things, and I think they are both laudable matters, and the one takes a little different course than the other.

Senator SALTONSTALL. May I ask one question. Mr. Howse, I am very ignorant as to this. Do any private insurance companies place flood insurance?

Mr. HOWSE. Senator Saltonstall, for practical purposes there is no flood insurance available on fixed property.

Senator SALTONSTALL. You mean because it is too expensive?

Mr. HOWSE. Well, I mean largely because the amounts are disproportionate to the assets of the companies that have to carry the risk.

Senator SALTONSTALL. It is too expensive insurance for the ordinary business to carry.

Mr. HOWSE. Well, yes; that is one answer, but a better answer may be that the amounts involved are far beyond the capital limits of the companies to carry.

Senator McCARRAN. And the hazard is too much and too great.

Senator SALTONSTALL. That is what would make it expensive.

Mr. HOWSE. Could I come back to that for a moment. There are at the present time about \$220 billion of property in the country insured against usual hazards of wind and fire and lightning and that kind of thing. The reserves for that sort of thing have been built up over many years, 150 years or whatever time it has been since the insurance business has been in existence.

Chairman McKELLAR. Does that include flood?

Mr. HOWSE. It does not include flood, and for practical purposes, there is no flood insurance available today on fixed property.

Senator FERGUSON. Is there any any place? Does Lloyd's of London insure on floods?

Mr. HOWSE. There are some minor amounts, Senator, but it is beyond the capacity of the companies to carry. That is the trouble.

Senator SALTONSTALL. If you had the Government carry it, would you have the Government charge a fairly high rate at the start with the idea of building up enough of a reserve that gradually that rate would be brought down if there were no emergency floods, and is that your principle, so that at some time it would be self-supporting?

Mr. HOWSE. To give you a short answer, yes, sir.

Senator SALTONSTALL. You said if you carry it 5 years, it ought to be self-supporting.

WORLD WAR II WAR RISK INSURANCE

Mr. HOWSE. Let me give you a longer answer there, Senator, if I may. During the war it was recognized that possible damage from bombing was not insurable by private enterprise.

Senator FERGUSON. There is a bill on that same line, and why could not this go into that bill?

Mr. HOWSE. Well, Senator, I don't know, frankly. That is a little bit out of my line again. The War Damage Corporation was set up as a subsidiary of the RFC. And they returned a profit to the Federal Government, after paying about \$60 million in fees and reimbursable expenses to private companies. They returned a profit to the Federal Government of about \$212 million because we had no losses to speak of in this country. I believe a submarine shelled Los Angeles, and there was a fire in the Northwest as a result of one of those gas balloons and there was some antiaircraft damage from our own guns, in one place, but for practical purposes there was no damage. Now we would propose that exactly the same principle be adopted here.

Senator SALTONSTALL. On the general theory it would cover the whole country and enough people would take it out so that if there was a loss in Kansas City, the assets of St. Paul, and Seattle, and San Francisco and so on, and in the East would cover it.

Mr. HOWSE. That is correct. The premiums from coverage in those cities would have created certain reserves.

Senator KNOWLAND. Wouldn't it be true, if it is correct that we are living on borrowed time, that this question of war risk insurance should be considered also?

Mr. HOWSE. Well, I think certainly it should, Senator, but whether it is true the two should be combined, I frankly don't know. And then I personally shouldn't like to see one delayed because of the other.

Senator FERGUSON. The Senator from Michigan put in a bill months ago on this war insurance and there are a lot of people that think that there is as much probability of war as there is of flood and therefore why couldn't it all be considered and why couldn't we get down and have one corporation do this rather than two corporations, or three corporations with the extra overhead and all.

PROCEDURE ON WAR RISK INSURANCE

Mr. HOWSE. As a practical matter, with respect to the overhead, Senator Ferguson, the war risk people operated with about 10 or 12 employees and they reimbursed insurance companies.

Senator FERGUSON. Would this do the same thing?

Mr. HOWSE. Yes, and I would assume that there would be essentially the same program here. Now, I am not suggesting to you in any sense of the word that war risk insurance isn't desirable. In my own view it is highly desirable, and we should have it, but this, insofar as we are concerned, this is an emergency matter.

Senator ECTON. Mr. Chairman, I would like to ask a question. Mr. Howse, how many of these businesses, or what percentage of these businesses that have been devastated by this flood could apply for an RFC loan for rehabilitation?

Mr. HOWSE. Well, Senator, I don't know. I would say to you in my own view, and in the unanimous opinion of the various com-

mittees that we have had out in this area studying this problem, that debt piled up on top of already existing debt is not the answer. A liberal loan is one of the answers to this problem, but it is not the entire answer to all of the problems.

Senator ECTON. Well, I understood you to infer a while ago that that is what this was; that it is an emergency loan.

Mr. HOWSE. I have got a three-point program, Senator, but I haven't been able to get to the third one. If I can keep my foot in the door long enough to get to that one, I will put it on the table and then you will have a completely rounded out picture.

Chairman McKELLAR. All right, go ahead.

PRODUCTION AID PROGRAM

Mr. HOWSE. Passing on from the second point, which is flood insurance, Mr. Chairman, we come to that portion of the program which I can assure you will be probably the most controversial portion. It is the portion which may be known as the production aid program, commonly referred to, by certain people at least, as the indemnification program. Now in order to understand that program, I think that I am obligated to tell you what it is, and what is it not.

First of all, it is not a pork-barrel proposition to replace a pair of shoes that Joe Smith lost in Kansas City in the flood. It is purely and simply an aid program to reestablish the productive facilities in this area, which productive facilities boil down simply to three things—farms, homes, and business. We have eliminated from any possible consideration, insofar as the farm is concerned, damage to crops, loss of livestock, household goods or personal property.

Insofar as businesses are concerned, we have eliminated from any consideration work in process, inventory, accounts receivable. Insofar as the home owner is concerned, we have eliminated household goods and personal possessions.

We would propose to indemnify on the basis of need those people who had not other assets and who could not qualify for a long-term rehabilitation loan, for damage to farm land, buildings, and machinery, and damage to business plant and equipment, and damage to homes. That kind of a program is capable of administration. Those items are already on the tax rolls some place, and they have got a preflood valuation. The same principle, gentlemen, that applies there was established back during the drought days in the 1930's, when the entire dust bowl area was rehabilitated, and that same principle applied to some extent to the HOLC program, and the same principle applied to some extent in the agricultural debt adjustment programs in the 1930's, and it certainly was applied in an identical manner in the Philippine War Claims Act after VJ-day when we poured \$400 million into the indemnification of private property in the Philippines.

Now, again, at the risk of being repetitious, let me clarify the production aid program further.

Senator CORDON. Are you speaking now of indemnity?

Mr. HOWSE. I am speaking now of indemnity.

Senator CORDON. That is another word for grant; that is true, isn't it?

Mr. HOWSE. I believe that is correct.

Senator CORDON. Let us have it all out so we know what we are talking about, and when you indemnify, as you state it, you mean that you make a Federal grant of so much money to an individual, the amount to be measured by the amount of loss within given standards, and he has no obligation with reference to that money even to its expenditure.

Mr. HOWSE. No; I am with you up to the last qualification, Senator.

Senator CORDON. There is nothing here to indicate he has any obligation, and if he has, what is it?

Mr. HOWSE. There is nothing in here to indicate that; that is true. The administrative procedures that are contemplated will be established would provide for the reconstruction of the facility. The expenditure would be controlled certainly to that extent.

Senator CORDON. Would it be reconstruction in its original site?

Mr. HOWSE. Not necessarily, and it would provide further——

Senator CORDON. Is there any limitation of where reconstruction might be had, and could a man who lost a store in Kansas City reconstruct his store in Cheyenne, Wyo.?

Mr. HOWSE. I think that that is something that would have to be taken up case by case.

Senator CORDON. You have not thought about that?

Mr. HOWSE. I have thought about it, but I don't know a good answer to it.

Senator CORDON. We need an answer.

Mr. HOWSE. Generally speaking most of those people will rebuild in that area.

Chairman McKELLAR. Are there any other questions?

REBUILDING IN FLOOD AREA PROHIBITED

Mr. HOWSE. Now, there will be a prohibition against rebuilding in unprotected main flood areas, and each locality has got to be considered on an individual basis. In great sections of this area there never should have been anything built in the first place. I frankly think that if a man wanted to move to Cheyenne to rebuild his business, I don't know whether he should be prohibited from doing that or not. This is a question that I have thought about for several weeks and I don't have a good answer.

Senator CORDON. Have you attempted to integrate any such plan with the present flood-control programs of the public works departments of reclamation and the Corps of Engineers?

Mr. HOWSE. No, Senator, we specifically have not tried to do that because again this is an emergency proposition and those are long-range programs that are highly controversial and if we wait to get this thing off the ground by the time something of that sort is determined it will be too late.

Senator CORDON. You have got in mind that this was the only flood in the history of the white man that has ever happened in Kansas of this size or anywhere else in the United States.

Mr. HOWSE. I have got in mind that this is the greatest single catastrophe in the history of this country.

Senator CORDON. And if we are going to consider probabilities, they are very remote for its recurrence, but we certainly ought to learn that it can recur, if it has occurred; I agree with that.

BUDGET RESTORATION REQUESTED

Senator SALTONSTALL. Mr. Howse, do you approve of House Joint Resolution 341 in the amounts that are included in that, or assuming that those amounts you do approve of, do I understand that you are now asking that in addition to those for this insurance revolving fund, what is the issue that you are requesting this committee, and are you satisfied with the amounts in this resolution that the House passed?

Mr. HOWSE. Senator, I would say to you that I am neither satisfied with the amounts nor the manner in which the funds are made available. I would say to you as respectfully as I can that I personally consider the recommendation of the House a shocking disregard of the needs of the area.

Senator SALTONSTALL. In other words, you are asking this committee then in the Senate to completely rewrite House Joint Resolution 341 in amounts and in the method by which they could be spent; is that correct?

Mr. HOWSE. In effect; yes, sir.

Senator SALTONSTALL. Have you got a recommendation as to how we should go about it, and have you got some language for us?

Mr. HOWSE. I would refer you to the President's suggested language in the bill which he attached to his message of August 20, Senator, and in my opinion—

Senator SALTONSTALL. That involves the appropriation of \$400 million.

Mr. HOWSE. Yes, sir.

Senator SALTONSTALL. So what you are asking then is the difference between \$400,000,000 and the \$257,590,000 which the House says is recommended or otherwise available; is that correct?

Mr. HOWSE. No, Senator, that is not correct. I am suggesting to you the difference between \$114 million and the \$400 million, and a broader authority in the spending of the money than is included in the language of the House resolution.

Senator SALTONSTALL. And in saying that, you are representing Mr. Wilson's office?

Mr. HOWSE. I am representing Mr. Wilson's office.

Senator SALTONSTALL. So that what you come down to saying is that you would like to have us appropriate \$400 million in substantially the language that the President uses in his message, rather than the methods suggested by the House and the amounts suggested by the House.

Mr. HOWSE. That is correct.

AMOUNT FOR REHABILITATION EXCLUSIVE OF INSURANCE REVOLVING FUND

Senator SALTONSTALL. And then assuming that we do not decide in this committee and in this session to put in this insurance fund, as beyond our authority, how much would that take away from the \$400 million?

Mr. HOWSE. \$50 million.

Senator SALTONSTALL. So that you are asking us if we don't do that to appropriate \$350 million under this broad language.

Mr. HOWSE. That is true.

Senator SALTONSTALL. Thank you. That is the issue that we have to determine.

Mr. HOWSE. I believe that is correct, Senator; yes.

Chairman MCKELLAR. Any other questions?

Senator FERGUSON. In other words, there has been no change from the time the President's message was sent up, which was shortly after the damage, in the thinking and all of the work you have done since then has not brought forth anything that you want to put in?

Mr. HOWSE. No, Senator, I would say there has been a very great change in our thinking which may sound a little peculiar to you, too, and I say the language should remain the same. At the time the President's message went to the Congress the best estimates that were available indicated the damage at about \$1 billion, and the more we get into this thing the more the losses become, and the more the dead hand of disaster appears to lie across the central part of the country. We have obviously developed our own thinking since the President's emergency message, and we have eliminated this, that, and the next thing from indemnification, until we have got it down now to where the amount of money will cover only the productive plant and facilities.

Senator FERGUSON. Well, has it not been true that many of these plants rehabilitated themselves, and, for instance, take the railroads. Have they not rehabilitated? And have the livestock companies not rehabilitated, and so on?

Mr. HOWSE. I would say to you that the railroads today, insofar as the public is concerned, are operating normally.

Senator FERGUSON. That is what I meant.

Mr. HOWSE. On the other hand, the railroads are operating on each other's track, they are using each other's bridges, and they are using each other's equipment, engines, and motors, and signal equipment and the railroads are operating because the railroads have got thousands of miles of track and stations and equipment elsewhere in the country. The little business fellow, and the corner drugstore is still closed. The railroads—and I would like to take General Motors because I like to talk about them in this category, for some reason or other.

Senator FERGUSON. They were out there?

Mr. HOWSE. They were there and they suffered a terrific loss, with their plant, and several hundred new cars under water. General Motors today are operating essentially as well as they were prior to the flood. But they are in the 72-percent tax bracket, Senator, and they have got income from other locations, but the little fellow in this district is flat on his back.

LOAN POLICY UNDER FLOOD DAMAGE INDEMNIFICATION

Senator FERGUSON. I am not taking General Motors, but take some other company, and the interest to the stockholder in that small corporation that is able to rehabilitate and does rehabilitate, his loss has been just the same as the man who cannot rehabilitate himself as far as dollars are concerned.

Mr. HOWSE. I think that is correct.

Senator FERGUSON. Are you going to take care of the one, but not the other? In other words, if a man has been thrifty and laid aside something to open his store, he would not get anything; is that right?

Mr. HOWSE. That is correct. Senator, it is frankly discriminatory—

Senator FERGUSON. That is what I want to get, whether that is the policy.

Mr. HOWSE. It is frankly discriminatory in its effect, and to do otherwise—

Senator FERGUSON. And you want the discrimination, as I understand it. That is the purpose of the act.

Mr. HOWSE. We don't see any better way to do it, let me put it to you that way. Any relief problem of which I have any knowledge is discriminatory against the frugal man, in effect. That is a kind of an unhappy way to say it, but that is the way it is.

Senator SALTONSTALL. Well, Colonel, let me ask you this, and I ask you this with the utmost respect and sympathy to all of these areas and people who have had losses: What, in your opinion, or what percentage we will say of the loss, if any, should individuals bear and how much or what percentage if any of the restitution expenses should the State bear, or the State or municipalities bear? What is the comparison to the Federal Government?

Mr. HOWSE. Let me say this to you, that the principle of State participation, in my own view, is completely sound and certainly desirable. The indemnification program, if that is what we are to call it now—

Senator SALTONSTALL. Let us stay away from the insurance part, for the time being.

Mr. HOWSE. Contemplates assistance to individuals or corporations only and it does not contemplate any restoration of public property. There is a total of \$252 million worth of damage to public property in these four States. There is that much damage estimated. If the States take care of their own public property they will have taken a very substantial share. As against this entire \$400 million, they will be matching \$250 million.

Senator THYE. That is highways and streets and sewers and water systems.

Mr. HOWSE. And schools and hospitals, and all of the myriad of public works.

Senator SALTONSTALL. Put it this way: If the States and municipalities are going to take \$252 million of the loss and you are asking the Federal Government to put in \$400 million, how much does that mean in round figures that private industry or private individuals would carry?

Mr. HOWSE. Well, I would say to you that the total amount of loss is \$2.5 billion and if the total \$400 million and the total \$251 million were put together, that is \$651 million; that leaves a loss to private individuals or private business of \$1.9 billion.

Senator FERGUSON. Is it not possible that when you start this thing, if you do, that your claims would be larger and you would find more people unable to bear the loss from their savings when they have learned that they were able to get it and you would be back for a supplemental?

Mr. HOWSE. Senator, I don't think so, because in the first place this loss table is arrived at on the basis of a projected economic survey in the area, and not an attempt to count house by house. We wouldn't live long enough to get that done. The Philippine Claims Commis-

sion operated with \$400 million and they, I believe, paid out first 15 percent and then they paid another 15 percent and then they made a final payment. The procedure was that you set up a deadline for the filing of claims and then you prorate in some manner, so that you don't exceed the amount of the appropriation.

Senator SALTONSTALL. How many people would have to bear this \$1.9 billion; that is, heads of families?

Mr. HOWSE. I wish I knew, I haven't any idea and I wouldn't know how to get that information for you. It also involves stockholders and absentee owners.

Senator SALTONSTALL. Counting a corporation a single entity, how many entities are involved, have you any idea of that?

Mr. HOWSE. No more than I can say to you that there were 385,000 people displaced by water at the height of the flood, and it is inconceivable to me that there wasn't some degree of loss to each one of those people. Now, I wouldn't know how much. You might only lose a pair of shoes, or a man might lose his plant. I have no way of giving you that figure, Senator, and I wouldn't know how to arrive at it, frankly.

Senator FERGUSON. How did you get these figures, then?

Mr. HOWSE. These figures as you will notice, Senator, from your justification, are outlined in 15 different steps; that is, the manner in which they were obtained. They were obtained by taking actual block counts and then projecting them by population, and by taking street-directory counts and by taking telephone counts, and by taking all of the insurance company reports and by taking the reports from the Red Cross and from the Salvation Army, and from the Federal and State agencies concerned, and trying to strike some kind of a mean. But I have appended a table showing it insofar as possible.

Senator FERGUSON. I am surprised you cannot get near the figure that Senator Saltonstall was asking about.

Mr. HOWSE. They haven't been tied to individuals, that is the only thing, Senator Ferguson, that I don't have here. If they were all houses and you could say there was 500 houses, and therefore 500 heads of families, that would be simple. But when you wash out a plant, I don't know who is involved. If you wash out streets or bridges or wash out a railroad, I frankly just don't know who it does involve.

FLOOD ADMINISTRATION

Senator FERGUSON. Who would determine, the law is suggested, whether or not a corporation was entitled to this grant or not entitled to it?

Mr. HOWSE. The suggested language contemplates that there would be appointed by the President a flood administration, a small policy-making group that would establish the policies and procedures under which the present agencies of the Government would operate, specifically the RFC, Housing and Home Finance Agency, and the Department of Agriculture. And you have a simple problem, in my mind, a comparatively simple problem, in that the application itself, which would be supported by duplicate tax certificates, or the originals if somebody happened to get out with his originals, would include a grid rating system which would establish a means test for the individual. In other words, the applicant would have to file a statement. If he

had other assets and had not the need for this thing, he wouldn't be granted it.

Senator SALTONSTALL. It would mean that each person would pay, if there were 360,000 people put out of their homes, \$5,400 per person, on your figures.

Senator THYE. How much is that?

Senator SALTONSTALL. \$5,400; 360,000 people into \$1.9 billion and \$50 million, in round figures.

Senator FERGUSON. That seems too high.

Mr. HOWSE. I have to point out to you that the figure includes these tremendous industrial losses. While it is true that someone has borne those losses at the same time we were not concerned with the great mass of industrial losses. We are not concerned with the railroad losses, which are \$100 million in themselves, and we are not concerned with General Motors' loss. We are concerned only with the losses where people are in need and with a ceiling of \$20,000.

Senator SALTONSTALL. That is where you say it is prejudiced.

Mr. HOWSE. I don't think there is any question about it being prejudiced, but if there is such a thing as a good prejudice, I like to think that this might be a good prejudice.

REHABILITATION OF AGRICULTURAL LAND

Senator THYE. Might I ask this question about your agricultural land: What would you see that you could do to help the individual, and would you rebuild his barn? You say it is not personal property, and so it could not be machinery and fencing and such things. Would it be his dwelling, and his barns?

Mr. HOWSE. It would be primarily his house and his barns and his land, Senator, and I think that would include fencing, too.

Senator THYE. Then what do you propose to do with his land? We know that it has been sand deposited. How do you propose to rehabilitate it?

Senator FERGUSON. Or the stream has partly changed and run through the land, and I have flown over some of it.

Mr. HOWSE. You have seen this, and you cannot tell where boundaries are at all any more.

Senator THYE. What would you propose to do there?

Mr. HOWSE. Senator, the Department of Agriculture has a rather extensive soil conservation program and a representative of the Department is here. I would like to defer to his portion of this statement, if I may, because I am not well enough qualified really to give you a good sound answer on it.

Senator THYE. Well, Mr. Chairman, would you care to complete your hearing with Colonel Howse, and then turn to the other question, or it is immaterial to me what you propose to do.

Chairman McKELLAR. Are there any other questions of Colonel Howse?

HOUSE CUTS

Senator SALTONSTALL. I asked this one so that I could understand it, Colonel Howse. What you are doing in substance is you and the House differ and the House cut out all indemnities to the extent of \$34,800,000, and cut out indemnities to the home owners and indem-

nities to business and industries of \$60 million, rather \$60 million to home owners and \$75 million to industries and general indemnities of \$34,800,000. Those are the specific figures with the exception of the flood insurance that you would like to have us restore. Am I correct in that? I am reading from page 4 of the House report.

Mr. HOWSE. Essentially that is correct, Senator. I would like if I might to give you a rather complete answer to that, because I think that is the point wherein lies the difference between what has been done and what I would sincerely hope might yet be done.

Let me start with the original \$400 million, which is broken down into \$50 million for insurance, \$190 million for indemnities, and \$160 million for loans. Now, the House threw out entirely the \$190 million for indemnities and the \$50 million for flood insurance, and reduced the amount of loans as broken down here to whatever amount they come out with.

Senator MAYBANK. While you are on that point, would the Senator yield? In other words, the \$50 million the House threw out, it would be your judgment or would it not be your judgment if the Senate put that in here it would be legislation? That is the thing. I ask that question because there are some insurance bills before the Senate, and would that not be legislation on an appropriation bill for this committee to legislate \$50 million for insurance, when there is pending before the Senate many different types of insurance bills, that have not been reported out by the committees of the House.

Mr. HOWSE. If you want an inexperienced opinion, I would say yes.

Senator MAYBANK. And that would be my opinion.

LEGISLATION IN APPROPRIATION BILL

Mr. HOWSE. I think one of the reasons that the House mentioned in their report they knocked out some of these things was that they were legislation.

Senator MAYBANK. The House, of course, can legislate, but the Senate cannot.

Mr. HOWSE. At the same time they passed some legislation in whatever they did, too.

Senator MAYBANK. In Senate appropriations we cannot legislate, and my question was, just as you agreed with me, I understood, that this committee could not legislate \$50 million for insurance because it would be legislation on an appropriation bill.

Mr. HOWSE. I agree with you, to the extent that I think it would be legislation.

Senator MAYBANK. You could suspend the rules, of course.

Mr. HOWSE. Now, the difference, Senator Saltonstall, the difference is this: The money which has been made available to the RFC for long-term loans still is subject to certain legislative restrictions and the RFC people are here and they can explain to you what the restrictions are. The money that has been made available to the Department of Agriculture, the Farmers Home Administration, insofar as their legal authority to make the loan is concerned, I believe I am correct in saying that that is complete, but it puts the Department of Agriculture in the difficult position of diluting their loan program. In other words, it is a question of either making sound loans that are going to be repaid, in which case they would not make the kind of loans that I think are

necessary in this program, or of making loans that they know cannot be repaid when they make them. I think that is a shameful kind of dishonesty.

Senator CORDON. You do not mean that will never be repaid.

Mr. HOWSE. I think so, Senator.

LIBERAL LENDING PROGRAM

Senator FERGUSON. Why rehabilitate a farm that never could under any circumstances repay, and why would you make a fill in some of the gullies cut in the land?

Mr. HOWSE. I wouldn't do that, Senator. I would like to answer you this way, if I might, and say to you that the reason that I think a liberal lending program is only part of the answer is that by far the greater number of people that are concerned in this disaster are the wage earner class of people. I use the term "wage earner" advisedly as against salaried type of people. These are packing house workers and the kind of people that live on wages. Let us take the case of a specific flood victim at the present time who might even be a veteran, as about 10 percent of these people are veterans.

Senator CORDON. The war did not contribute to this disaster and I think we ought to approach it as an individual who suffered a disaster, period.

Mr. HOWSE. The individual has an FHA-insured mortgage on his home clear up to his ears, and he has a Veterans' Administration guaranteed loan from his ears to the top of his head, and his house is washed away and he is standing in the mud in front of his house looking at the foundation. You can make as liberal a loan as you want to, Senator, to that man, and he won't live long enough to pay off the two housing loans. It is axiomatic in the banking business or the financing business, that in one lifetime a man buys one farm, one home, or one business. It just seems to work out that way.

Senator FERGUSON. Suppose it was a tenant, and many of those buildings I assume that are in that district were owned by the landlord class. What do you do with that situation?

Mr. HOWSE. Well, that would vary as between the home and farm and, Senator, I would like to defer that question until we get to more competent people down the line who can answer it, if I may. It is an involved answer and I am not sure that I can make it.

FLOOD REHABILITATION IN OTHER AREAS NEEDED

Senator THYE. Colonel Howse, right at that point, I am in sympathy with you and I agree with you that that veteran that had all of the loans that he could possibly be granted for that home cannot assume another such obligation and ever pay out. The odds are that he could not, and so therefore I am in sympathy with the very thought that you have expressed, and the purpose that you are endeavoring to accomplish. But I have to raise the same question that I raised earlier, the man that is in the identical same position elsewhere in this United States that the flood has occurred in the last 18 months or 2 years, whether it be Oregon or whether it be Galveston or whether it be Minnesota or Ohio have identically the same heart-rending picture when he is standing and looking at his foundation

that the man in Kansas or Missouri has. And now if you will find a way to enable us to reach that man, it will be easier for us to do it, because I personally am sharing the same sympathy that you have expressed for that man.

Mr. HOWSE. I couldn't agree with you more if I were your brother, but I would say to you this—

Senator THYE. I have one. I am one of six and I know they have disagreed with me more times than they have agreed with me.

Mr. HOWSE. I was interested in your remarks at the beginning of this hearing when you said that a year ago some of these things happened up in your country and people had not dug out yet.

Senator THYE. That is right.

Mr. HOWSE. That is exactly what I am worried about, too.

Senator THYE. If I vote for this legislation, the person that is sitting up here looking at his foundation is going to think a lot less of me if I proceed to assist in overcoming that disaster down there, but I have not done a thing for him up there and the President was apprised of the situation, but not only communications, but by telephone calls and some of us had the opportunity to appear before the President in person. The man that stood there and looked at that old foundation all gutted out because some of the foundation was caved in and all of the earth washed away from it, he just has that same heart-rending picture to look at as the man down in the lower part of the Mississippi has.

Mr. HOWSE. You have two problems.

Senator THYE. You bring that into the picture, and it will be much easier for me to concur with you.

Colonel HOWSE. If I knew how, I would be glad to give you a good answer. But I think that you have two problems, as a practical matter, and one is people that have suffered in the past and have not been helped. I think those people are doubly unfortunate, but I would not like to think that that would stand in the way of helping people henceforth.

Senator THYE. All we have to do is to make this applicable to everybody in the past up to the statute of limitations, and you could go back 3 months and take in the upper region of the Mississippi, and you have got it.

Colonel HOWSE. I assume in that case it would take more money; I suppose you have got to make a start some place, and I think then you have got also the problem of precedent henceforth. That is one of the reasons that I urge upon you the insurance feature, because once insurance is available to you and me as individuals, we have no right to look beyond it for compensation, any more than we would have the right to call upon the Federal Government to reimburse us for a fire loss.

Senator CORDON. Or, so far as that is concerned, this loss. You are not calling here for any legal right you have, and you are calling because you have got a disaster that you cannot yourselves take care of, and it is proper.

We had one a few years ago out in my own State, minor beside yours, but just as bitter to the several hundred people who were in it as this was, with death loss and the like. It was not a question of a right that they had; it was a question of a loss that they had suffered, and an opportunity—and not an obligation, as I see it—an oppor-

tunity for a government to come in and help them rehabilitate themselves. That is what you have here.

I certainly hope that we can answer it as fully as possible. I may say to you that I look with favor upon your idea of flood insurance, which from the Government's standpoint is not flood insurance but flood reinsurance.

I think perhaps you have got something there that can be worked out. I will say frankly, as far as I am concerned, I am unwilling to delegate to the President or to anyone appointed by him the legal authority to work it out, and I think that that is a matter that the Congress has to handle itself, and I think that we are going to have the time to work it out carefully by legislative committees, after full consideration, not only of the obligations of the Government, but of the protection of the Government, and we have got the actuarial question and the technical questions involved, and those have to have more time than the Appropriations Committee sitting here could give them if it wanted to do it.

Colonel HOWSE. I agree with you entirely, and the only difference in our thinking may be, if I could present to you my side of it, there is an immediate urgency about the present problem which does not lend itself well to waiting until this other one is worked out.

Senator FERGUSON. But it does not apply to the insurance angle, and the emergency does not apply to the insurance.

Colonel HOWSE. I think it does, and if I have not made that point clear, I would like to take another crack at it, if I may.

Senator FERGUSON. You have not made it clear to me, and this is a flood that has occurred once in the normal lifetime.

POSSIBILITY OF REBUILDING

Colonel HOWSE. We would like to encourage all of those people to rebuild as quickly as possible, and until they know that some sort of protection is available, they will not move.

Senator FERGUSON. It will be the first time in the history of man, as I know him, who does not, if he has the money, go right back and build practically on the same spot and wait for the next flood. That has been the history of man.

Colonel HOWSE. I would say to you that we have got the man next to you who a year ago had this problem in his State, and they have not rebuilt yet.

Senator THYE. Oh, yes, they have. You see, a year ago I was in East Grand Forks and Crookston, and they have dug right in and they have reestablished, and you can see the scars and all of that, but you cannot see the scar in the financial situation of that individual family, nor can you in the municipality, unless you check their records. But they have rebuilt, and you cannot see all of the devastation that was wrought at the time.

Now, if you go to North Mankato, that whole city was just torn by that flood, and the merchants and the utilities, such as sewer and water and the roads and streets, and all of those young people that had built in that area, they are washed out, and it is exactly the same identical picture as you see down in the flats of Kansas and Missouri. The only thing the area was not as large, and this occurred in 1950 and in 1951, you see, in my section, and we pleaded at that time,

and in fact, I was a cosponsor of a bill to propose a general legislative measure that would cover all disasters in the United States and have a revolving fund set up there that could meet such emergencies, but that legislation was not acted upon favorably.

Now, this flood down here occurs—and do not misunderstand me as being opposed, to trying to argue myself into position that I do not want to do anything, and that is not the case. All I am pleading for is that I have got some families and some business people and some townships and some counties and some municipalities that are identically in just as great a financial distress as any person or people or utility or public body could be, and I am only saying that if I am going to be a party to such a vast expenditure of Federal funds to bail out the financial difficulties of one area of the Nation, then I must plead for that other area, because I would be inconsistent in my efforts here in Congress if I did not. That is all I am faced with.

Colonel HOWSE. I think perhaps the only difference in our thinking, Senator, may be the matter of time. I am urging you in every manner that I know how to take this action now.

Senator THYE. It would be easier if the President will name flood areas in Minnesota in this general catastrophe report, and then I think we would be far better off, because I need only take you to Nebraska, Iowa, and I can show you communities that will be the next 50 years coming out of what the flood left them in.

Colonel HOWSE. That is what I am trying to tell Senator Ferguson, as he well knows without my telling him. It takes time to dig out of these things, even if money is available. And we do not have the time today to let these people dig out slowly and under their own steam.

Senator SALTONSTALL. Colonel, the indemnities that you ask for here amount to \$169,810,000. That is the money that you are asking for, really, in addition to what the House gave you.

DISTRIBUTION OF FUNDS

Now, the House set out the departments that should have the funds: Agriculture, Soil Conservation, Farm Loan Administration, and the RFC. Now, what agencies, if we decided to grant any indemnities under those headings, what agencies should have that? The President's message simply says to give it to the President.

Colonel HOWSE. You mean indemnities, or the whole thing?

Senator SALTONSTALL. The indemnities of \$169 million.

Colonel HOWSE. We propose the job be given to the RFC, except for the agricultural portion, which would be given to the Department of Agriculture.

Senator SALTONSTALL. The RFC would have the function of determining the grants as well as loans?

Colonel HOWSE. Yes, sir.

Senator SALTONSTALL. Have they ever had the power to determine grants, even during the war years?

Colonel HOWSE. Not that I know of.

Senator SALTONSTALL. It would mean that Mr. Symington would really have to set up a new subsidiary agency; would he not?

Colonel HOWSE. Mr. Bukowski, the Deputy Administrator is here, and he can answer that question here. But I would say "No."

Mr. BUKOWSKI. I would like to say that we did have some experience, we have had experience in the RFC in handling what is in effect grants, and we had meat subsidies during the war. Our primary function, of course is that of making loans, and from our analysis of the program that has been proposed, we feel that the character of the investigation and the work to be done in the field in analyzing or investigating indemnity claims, would be very much comparable to that of making analyses and investigations with respect to loans. In fact, in many instances the two things would come together. And on that premise we had indicated our readiness to handle this part of the program if it were assigned to us.

Senator SALTONSTALL. Thank you, sir.

There would be no appeal, I assume, from the grant. A loan is a little different, and if I go to you and ask you for a loan, you can say, "I will give you \$100 or I will loan you \$100," but if I go to you as a Government agency and ask you for a grant of \$100, and you only give me \$50, then I have got a holler; and to whom am I going to holler?

Mr. BUKOWSKI. The Flood Administrator.

Chairman McKELLAR. Mr. Foley, I believe you are next.

INDEPENDENT OFFICES

HOUSING AND HOME FINANCE AGENCY

STATEMENT OF RAYMOND M. FOLEY, ADMINISTRATOR

LIMITATION OF DISASTER RELIEF ACT

Mr. FOLEY. My name is Raymond M. Foley, and I am the Administrator of the Housing and Home Finance Agency, and in connection with this testimony presumably the committee will be interested in hearing from me not only in connection with the activities of the Housing and Home Finance Agency in general as they may relate to this disaster problem, but I think more particularly perhaps because of the responsibility I have under the Presidential order of administering disaster relief funds under the Disaster Relief Act.

I think the committee will probably not want me to review what Colonel Howse has so fully set before you, both orally and in his written presentations, but I found before the House committee particularly that the members were interested in learning what had been done under the authorities already granted by Congress for extending relief in this disaster.

In that connection I found both in the hearings before the House committee and rather generally in the public some misunderstanding as to the scope of the applicability of the authorities in the Disaster Relief Act and the uses that might be made of the funds authorized there.

Now, the committee undoubtedly is aware of, but might need to have recalled to them, the fact that the Disaster Relief Act, Public Law 875, is very limited in the application that may be made of funds. There were in the hands of the President at the time of this disaster, \$800,000 previously made available, and there was appropriated an additional \$25 million subsequent to this disaster, upon the declaration of the disaster areas there by the President. The House proposal would add \$5 million to that fund.

I mention it particularly because the language in the House report would seem to indicate to some, at least, that those funds could be used for direct individual relief, somewhat, as perhaps the public might construe it, in the sense of individual grants for indemnification or similar purposes.

Actually, the limitations in the language of the Disaster Relief Act as it has always been interpreted, and as studied by my counsel, does not give the Administrator authority to allocate funds for direct individual relief, either directly to the individuals or by allocation to the State or local governments for that purpose.

Now, then, the Colonel has pointed out what the divisions of activity in this situation were, and I think that I might emphasize that the responsibility of the Housing Administrator was solely under the Disaster Relief Act, and necessarily, therefore, of a temporary and emergency character; whereas, the responsibilities placed upon the Director of Defense Mobilization had to do with the longer range economic and industrial rehabilitation of the area. These might seem to be conflicting assignments, but in fact and in practice they were not. As a matter of fact, we found that the two would necessarily have to function closely together, and Colonel Howse, as the representative of Mr. Wilson, and myself, with the Administrator's responsibilities, immediately set up a joint functioning on the scene, which I believe was very successful.

HEALTH PROBLEM

He has referred to the success that was achieved in preventing a further possible great loss of life through disease borne of flood conditions, and I think the Members of the Senate ought to know that that was a remarkable performance. It is not, as he so kindly intimated, due to the coordinating efforts of the Administrator particularly, but because all elements of State, local, and Federal Government that had anything to do with the handling of health problems there, were immediately and untiringly on the job. It was, of course, our first concern, and we moved into it immediately; and I think tribute should be paid to the State health department and the local health department, and particularly to the United States Public Health Service. The work of the Red Cross and the work of the Salvation Army and many others contributed.

We immediately went to the scene and attempted to organize and coordinate the many activities of the Federal agencies that, under the Disaster Relief Act, could be mobilized, and I feel that the Administrator met with the very highest degree of cooperation, not only from the Federal agencies, but from the local agencies of Government that had suffered and were affected.

The scope of the application of the funds, itself, as I said, is quite limited. They apply only to what might be described as temporary rehabilitation and temporary repair of public facilities, and entering upon private property with help through allocation of funds to State or local governments only where it is necessary for the preservation of life or property.

There had already been established, through the history of flood relief administration under this and previous disaster acts, machinery for accomplishing that, which had been established in the Community

Facilities Bureau, now called the Community Facilities Service, which, as you will recall, was transferred to the Housing Agency from the General Services Administration a little more than a year ago, and in fact has functioned in two of the disasters to which you have referred, Senator Thye.

So that we had on the scene the necessary personnel machinery, which we had to augment, of course, because of the scope of this affair. We found a high degree of cooperation from the Governors and the local governments and from the Federal agencies, and I might particularly refer to the Army engineers, who, being on the scene in the combat of the flood itself, were in a position to proceed immediately with certain of the relief activities.

ALLOCATIONS SYSTEM

We proceeded through the allocations system which had been set up. There had been allocated, either to State or Federal agencies, at this time, the following:

The State of Kansas, \$7,075,000, less a 2 percent administrative allowance; and the State of Missouri, \$2,525,000, with the same deduction; and the State of Oklahoma, where the scope and territory was much more limited, \$250,000. There was allocated to the Department of Agriculture for immediate emergency stock feeding, livestock feeding, \$1 million, which the Department has advised us will not be used beyond perhaps one-third of that total. It had to be based on immediate estimates, and it was made available. And to the United States Public Health Service, \$228,600.

We found when we got into the scene that the housing damage, which has been described to you by Colonel Howse, was, of course, one of the most immediate and pressing problems. There were many thousands of persons housed in temporary shelters and schools and auditoriums, and so on, and there were a great many more thousands who were being temporarily sheltered by friends or relatives, or various situations of that sort.

The Red Cross and the Salvation Army and other organizations had done a fine, immediate, on-the-spot job. However, it was obvious, because of the large destruction of the housing, as distinguished from just housing that had been damaged and which might rather quickly be repaired, that it was not going to be possible to house and shelter these families without special help. They could not remain as they were, sleeping, thousands of them, on cots in halls and schools, and there were many situations of whole families being so housed. As soon as that became apparent, upon my first trip to the area, I returned and recommended to the Congress some special legislation with respect to that, and within a matter of three days the Congress had amended the Disaster Relief Act to give us direct authority to provide temporary shelter, that, is, out of the funds already made available.

SPECIAL FHA INSURANCE ENACTMENT

I had set up, as Administrator, in the area, a special coordinating committee for housing. That was with a view to working out plans for the temporary housing of families and for bringing about the reestablishment of the inventory through private building. That

also called for special help, and the same action. Upon our recommendation, the Congress enacted a special FHA insurance, running to 100 percent loans for families placed in need of shelter by the flood.

We organized the building industry down there, and we set up a program of new housing to be built which would have this special insurance advantage. We set aside in the Federal National Mortgage Association \$50 million of the uncommitted reserves we had, so that private lenders would have an assured avenue of resale of their mortgages if they could not hold them, on these disaster-built homes. We did it as promptly as we could. We did all of the things that would set up a background for reasonably fast action.

The authority given us by the Congress on temporary shelter was just that. We had to write a policy as to what ought to be done and what kind of housing ought to be provided, and after a careful study of the situation we found we did not have in the possession of the Government anywhere, available temporary housing which could be panelyzed or dismounted and taken to the scene on any advantageous basis, either as to time or as to cost.

KANSAS FLOOD DAMAGE

At first it appeared that we might have some inventory remaining out of the war housing. We proceeded, therefore, to the policy of mobile housing, of using trailers almost exclusively; up to now, actually exclusively. There were six towns and cities in which the need appeared to be most apparent, the largest, of course, being in Kansas City, Kans., where the members of this committee no doubt are aware whole residential areas had been completely destroyed. There were some 3,000 houses, I believe, in the Kansas City area either destroyed or so badly damaged that their rebuilding was entirely problematical. Other cities were Manhattan, Topeka, Junction City, Ottawa, and Storm City.

Chairman McKELLAR. If there are more, you can put them in the record.

TRAILER HOUSING

Mr. FOLEY. We adopted a policy, by agreement with the city governments of those several cities, and of course, we made this facility available to all affected cities upon their request, and we received the requests from that list—we adopted the policy of providing mobile housing, of retaining it in Federal possession, of leasing it to city governments, of requiring city governments to take the responsibility for selection of site and placement upon site, and of management after it was delivered by the Federal Government.

In several of those situations, the need was so large that there were no available sites upon which trailers could be placed. In the city of Kansas City, it was necessary to find and to develop, with the utilities, a complete trailer park for 1,000 trailers; and it was necessary, in view of the financial situation presented to us by the cities, and in view of the pressure of time, for us to assume out of the disaster relief the cost of preparing the sites. We did that.

Up to this time, we have purchased a total of about 1,500 trailers. We have ordered for Kansas City, Kans., 1,000 trailers, and we have delivered 734 of them, and they are being placed upon the site which was developed, and they are rapidly coming into use.

In Junction City, we ordered 35, delivered 35, and they are nearly all occupied now.

In Manhattan, 100; delivered thus far 79; and we are delivering them as rapidly as the sites are ready.

In Ottawa, we ordered 50 and delivered 50; and in Storm City, we ordered 10 and delivered 10; and in Topeka we have ordered 376 and we have delivered 150, and they are standing by with the trailers purchased ready for delivery as rapidly as the sites can accommodate them.

We adopted the policy, too, of buying these trailers, some of the more modern type. They include, or they are of, various sizes, sleeping from 4 to 8 persons, and therefore, will accommodate most of the families. In a few larger family cases, we made special provision by adding an extra trailer of the shell type which could be used as an added sleeping space by the family.*

Those trailers include most of the necessary facilities, and there is much built-in furniture, so that the problem of furniture is overcome.

We bought them with their undercarriage, so that they could be delivered rapidly over the roads, and the fact was that they were able to deliver trailers in the city of Kansas City within a week after the passage of the authority by the Congress, and have kept them there available constantly when we have placed them on the site.

Under that policy, they will remain the property of the Federal Government, and can be removed rapidly and made available for other emergency use, which quite possibly we will have either in similar disasters or in connection with the defense military housing problem.

COST OF TRAILER HOUSING

The committee will probably be interested—Mr. Seward can correct me if I am very far wrong on this—that we have been able to house these families under this plan at a cost of about \$3,000 per family, including site development and including delivery.

MR. SEWARD. That is correct.

MR. FOLEY. And we will have a considerable remaining inventory value in the house itself, and there were many reasons, which I will not enumerate now, but among them is the fact that building temporary housing of the usual type has about it, unfortunately, a degree of permanency that we have experienced in the war situations, and we felt that it was much better to have this housing of a really temporary stop-gap nature, but still adequate, and it is decent housing, and it protects the family privacy and dignity, and it is restricted in size, but it will be possible, we believe, therefore, to encourage the permanent housing of these people much more rapidly.

PROGRAMED HOUSING

In the housing program for permanent set-up, we programed, as I recall it, 2,400 housing units, which would have the advantages of the special mortgage insurance provisions, and of the take-out provisions of the Federal National Mortgage Association. Since that time, in the Defense Housing and Facilities Act, Congress has enacted a limited advance commitment authority for the Federal National Mortgage Association, which I might say parenthetically poses a very

perplexing problem for the Administrator, because it is to be applied in disaster areas, for military housing under the Maybank-Wherry Act, and for critical defense housing areas, in which \$200 million expiring by date at the end of this year, and there are outstanding in those three areas probably \$500 million worth of business which will compete for it.

I might say that the atomic energy areas were the No. 1 critical areas, and we attempted to provide for that, and we tried to provide for the programed housing.

Senator CORDON. May I interrupt you for a moment for a question?

Under the Maybank-Wherry Act which you mentioned, it was the act that provided for loans to private persons to construct housing, and they, themselves, thereafter managed the housing property, is that correct?

Mr. FOLEY. For the military, Senator, under title VIII of the National Housing Act.

Senator CORDON. Your present authority broadens the classes which may come within its terms?

Mr. FOLEY. No. The authority to which I was referring was a renewal of an authority in the Federal National Mortgage Association to make advance commitments for the purchase of mortgages, which advance authority had been revoked a couple of years ago, and it was renewed in this limited fashion.

What I am saying here is I think it is important that the committee know all that we are attempting to do to meet this problem under existing authorities, and that is to meet the problem of tightness in the mortgage-money market which generally exists today, and we have said under that new authority that the Federal National Mortgage Association Board has set aside \$25 million of that \$200 million of authority to commit in advance, to apply to programed housing in the disaster area. So that we will remove, so far as we can, any impediment to getting it built through the lack of mortgage funds readily available in the area.

Let me say that the builders of the flood areas have taken up the allotment of that program, and appear ready and willing to go ahead and build, so that some part or a considerable part of those families who have been totally unhoused because of the destruction of houses, will under that program be housed if they are able to meet the terms of purchase, and under the special legislation those terms of purchase should not be too exacting except in those cases of persons who already are under a very large debt in connection with property they had previously mortgaged and which has been rendered unusable. Those problems will have to be dealt with otherwise.

That is the situation, stated too lengthily, but still briefly, with reference to the housing picture.

PARTICIPATION BY LOCAL GOVERNMENTS

The committee should also be refreshed in their recollection as to the manner in which we are able to make use of the \$25 million fund under the Disaster Relief Act, and how we do use it. The law requires that there be evidence of a reasonable participation in meeting the needs by the local governments, but sets up no formula for matching. We developed a system which we believe very carefully protects both

the purpose and the accountability of the funds, which I won't bother to give you now, but if the committee is interested we will be glad to furnish a document showing the method of procedure. But it involves our working very closely with the local governmental agencies through the Governors, making pretty careful estimates of the amounts that are required for temporary establishment of the facilities that are to be helped.

Senator CORDON. Do you have such a statement prepared, Mr. Foley?

Mr. FOLEY. I do not have one with me, but I can furnish one very quickly.

Senator CORDON. If it is prepared, Mr. Chairman, I would like to have it in this record, because this matter will be one that faces us when we reconvene.

Mr. FOLEY. I will be prepared to furnish one within the next day or two, Senator.

Chairman McKELLAR. It will be included in the record.

(The information referred to is as follows:)

ALLOCATION OF FUNDS TO STATES UNDER PUBLIC LAW 875, EIGHTY-FIRST CONGRESS
(DISASTER RELIEF PROGRAM)

Upon the declaration by the President of the disaster area, and an allocation of funds by him for the purposes authorized under Public Law 875, such allocations are made directly to the Governor of the State involved. The operations of the various Governors are not identical in all cases. For the purposes of this statement, however, they can be assumed to be as follows:

The Governor receives from the various local public bodies within the disaster area requests for the allocation of Federal funds to provide the assistance as authorized by the act. The Governor sets up in his office a committee, either official or otherwise, to advise him in connection with these requests. The committee is usually composed of the State health officer, the State highway engineer, and a member of the engineering staff of the Community Facilities Service. Such group is sometimes augmented by additional State officials. A task force from the committee, including the CFS representative, visits the community, surveys the damage, and determines the estimated cost of the emergency repairs and temporary replacement of public facilities, the clearing of debris and wreckage and protective or other works essential for the preservation of life and property. Based upon the recommendations of such committee, the Governor advises the local public officials concerned that the request has or has not been approved and, if approved, the amount of money which has been allocated from the fund for such work.

The local authority then proceeds with the accomplishment of the approved work. As the work progresses, or at its completion, the local public body submits to the office of the Housing and Home Finance Agency, Community Facilities Service, the necessary receipted bills, payrolls, etc., which are then audited by the staff of HHFA, and a warrant drawn in the amount of the approved claim for the purposes of reimbursing the local expenditures on the work. There is no set percentage or amount as to the local participation. Agreements are reached with the local officials on each individual case. It must be remembered that the authority contained in Public Law 875 limits the participation of the Federal Government to emergency repairs and temporary replacements. As an example, in cases where the disaster is the result of floods, streets are washed out. The Federal Government participates in the restoration of the streets to the point where they are passable. The local community then must through its own resources finance entirely the paving of the street, the reconstruction of curbs, gutters, etc. Frequently, water lines as well as sewer lines are severely damaged. The Federal Government, through Public Law 875, will aid the community in such temporary repairs as are absolutely necessary to place the system back in operation. Permanent repairs and permanent replacements are entirely the responsibility of the local government.

Mr. FOLEY. I think that you will find that that statement is carefully designed to carry out the purposes and the spirit of the act and still protect the funds.

UNALLOCATED FUNDS

There remain in the fund, unallocated, some \$9,600,000, roughly speaking. However, it is not to be presumed that that amount will be over and above our needs. We still have the problem of reimbursement of the Army engineers for work which they did in the immediate wake of the disaster, some considerable part of which is eligible under this fund for reimbursement, and which they certainly with our approval went forward immediately to do. They have their own disaster fund out of which they have been meeting it, but which is entitled to reimbursement, in our opinion, as soon as the expenditures can be documented, and that work is going forward and probably it is \$2½ million to \$3 million.

There probably will still remain some further allocations that can very properly be made, particularly in the State of Kansas.

I think that covers the situation briefly, and I will be glad to furnish any further information desired.

Chairman McKELLAR. Are there any questions, gentlemen?

Mr. FOLEY. I would like, if there are no questions on that particular point and particular phase, to go just a little more into some of the problems brought up by the housing.

Senator Ferguson brought up the question that a good many unhoused were not property owners, but they were tenants. That is true. The estimates seem to indicate that perhaps 40 percent of them in the urban areas would be so classified. Actually, it is going to be much simpler to provide a means whereby the tenant, the former tenant, may acquire a new residence for himself, under the provisions of the existing law, than it is for many of those who own the properties, because the tenant will not ordinarily be burdened with a past mortgage debt carrying over.

PROBLEM OF RELOCATION

There is also the very serious question, touched upon here, of relocation of the families and even of businesses. Much of the area is exposed area, even in urban areas, although generally it had been felt by those living there that the protective works were sufficient. This flood has indicated that they were not, if there is a repetition of this sort of disaster. It is interesting to note, in studying the data on losses in housing, that in the Federal Housing Administration, for instance, there were less than 500 properties affected—those that carried insured mortgages—and a round figure of damage to those houses is something around half a million dollars. To many, that is inexplicable. The fact of the matter is that, under the policy of economic soundness required in the law for the insurance of the mortgages by the FHA, the sites which had an unusual degree of hazard have not been accepted as eligible for mortgage insurance; and, generally speaking, the underwriting offices have in the past only accepted risks that were above the previous high-water marks. These waters, having gone higher, have taken in some of them.

To a lesser degree, the same thing seems to have been true with respect to the Veterans' Administration; and some 700 to 800 houses, according to the best reports they are able to give me—which may not be final—are affected to an extent of \$2½ million.

Now, that would argue that not many of the houses that carried FHA insurance and insured mortgages have been totally destroyed, and probably more but not a major number of those that had guaranties. There is not available to us, gentlemen, nor do I know how to get it, any total or any detail of debt carried in what we might call the conventional forms of mortgage debt, as distinguished from governmental systems, on the remainder of the property; but spot checks indicate that a very large percentage of it does have considerable mortgage debt, either in banks or other lending institutions, or even private creditors' hands. So, the problem that may be presented by rehousing these people in permanent housing has two broad phases to it: One is, will they be able to assume debt sufficient to carry out rebuilding; and should they be encouraged to rebuild where they were?

That is a very serious problem, particularly in Armourdale, Kans., where the city—and I mention this because the House committee was very much interested in it, and I think the existence of this situation had some bearing on their findings. Under title I of the National Housing Act, passed in 1949, which provides a system of grants and loans for the clearance of blighted areas and slums, it is possible for the Housing Agency to make loans for the purpose of acquiring and clearing sites and to make grants for bearing two-thirds of the amount of the write-down to make them better for suitable use. Almost immediately after the passage of the floodwaters, the city of Kansas City, which is the only city under their State law which can avail itself of that Federal act, immediately interested itself in the possibility of clearance and redevelopment of the devastated area under that title. And we have given them every help in the way of technical aid in making studies, and we have made them an advance loan for planning and study, as authorized by the law, and no time has been lost; and they themselves have shown the most cooperation. But a fundamental question as to what ought to be built in that area now arises, and I mention it here because I do think that the committees of Congress should be aware of it, as to whether or not they are going to be able to give help out of that authorization presently existing in that large part of the devastated area; that is, without further assurance of funds for the future. Consequently, there does exist in the housing phase of this problem some large number of cases—how many, no present information is available to me; so that I can give you anything approaching exact figures—but some large number of cases of persons who, if they are to be rehoused by the replacement of the houses they previously owned, probably cannot finance themselves under any system of loans we now have.

REPAYMENT OF EXISTING LOANS ON DESTROYED PROPERTY

Senator CORDON. Is that, as far as you are presently concerned, due to the question of whether there should be a loan given to reconstruct in an area that has proven to be susceptible of heavy flood damage?

Mr. FOLEY. It is only in part related to that question, because, of course, they could move to another area, and I might say parenthetically that I neglected to say that the housing that we have programmed is to be built in unexposed areas. But this individual who has lost his house by total or nearly total destruction, and who has a debt upon it, has left only, as tangible property, that lot. Now, I am referring to the fact that some considerable number of such families, under any existing loans that I know of, would not be able to show ability to retire the loan. They have to add the total cost of rebuilding the other house.

Senator CORDON. Assuming they will carry out the repayment of an existing loan which was secured by what is now nonexistent security?

Mr. FOLEY. That is the problem, Senator; and I am not at this moment suggesting what the cure is, except that, if there were an indemnification system, it could be applied to that situation.

That is one of the arguments for an indemnification system.

Senator FERGUSON. You, as Administrator, did not require any kind of insurance, and you also took the chance that this house would be washed away?

Mr. FOLEY. In the Federal Housing Administration?

Senator FERGUSON. Yes.

Mr. FOLEY. As I pointed out, Senator, we did not take the chance, as a practical matter. I do not know whether you were here at the moment, but I pointed out in all of this housing damage down there, less than 500, or I think less than 450 houses that were affected by damage to any material extent were under FHA-insured mortgages, and the reason for it was that the FHA had not been accepting as risks the more exposed areas.

Senator CORDON. When you speak of inability of the individual to go forward and show his ability to repay the loan, that situation exists chiefly in this area with respect to borrowings from concerns, private concerns, as distinguished from borrowings from the Federal Government?

Mr. FOLEY. It is loans not insured by the Federal Government, and I mention it because Colonel Howse mentioned as a graphic example, which well illustrates his point, an FHA or VA case, but the actual number of such cases is relatively few.

Senator FERGUSON. If you go ahead and rebuild the houses and you give them FHA loans, are you going to require them to carry flood insurance?

Mr. FOLEY. The point, Senator, that I was making, was the discussion of the problem of relocation, and if the FHA follows, as it probably should and will, its previous policy, it will not insure mortgages in the areas that are subject to a large hazard.

Senator FERGUSON. Then he does not even have a lot, as far as he is concerned, and he has got to go and buy a new lot?

Mr. FOLEY. That is right, and he is going to have—unless he gets refinanced otherwise, on the same site—if he wants to rely upon guaranteed lending, which is more liberal, of course, in its terms—then he will probably have to go to a less exposed site or, in other words, to a new lot. And I mention it as a phase of the problem in which I presently have no solution, but for which an indemnification program would furnish a solution.

Senator CORDON. Well, Mr. Foley, the net effect of an indemnity or a grant to an individual for the purpose of reconstructing his home in a case where, for the purposes of this example, let us say that he has already incurred and there is now outstanding a mortgage against his original security of 80 percent of its full value—would be that you would in effect not indemnify him, but you would indemnify his creditors.

Mr. FOLEY. You raise a point that Colonel Howse has covered in his presentation as written, but I think that no opportunity or time has been presented to present it here today. It is part of the idea he advanced previously. It was a write-down of claims, was that not correct?

Colonel HOWSE. That is right.

Mr. FOLEY. You might want to describe that more fully.

Senator CORDON. That would be a matter of executive determination and not statutory.

Mr. FOLEY. You could not require it under existing law, Senator Ferguson—may I interrupt you at this point, because I did not fully answer your previous question, and we might miss it, where you said that the FHA did not take reinsurance. We do not, of course, as is a fact, but under the regulations and procedures of the FHA since its beginning, for the mortgagee to claim in a loss, which ordinarily is a foreclosure loss, the mortgagee has to deliver the property undamaged by fire or flood or undue waste; so as it stands at this moment, if there are any FHA houses which have been destroyed, and if there are any there are few, the mortgagee has the problem that he is not at this point able to claim. We are studying that problem at this time.

LIABILITY OF BORROWER NOT CARRYING FLOOD INSURANCE

Senator FERGUSON. Getting to the next point, A has a home, and he borrows from a bank, and the bank has not required him to carry flood insurance, and the house is washed away. And now, is he given money to pay the bank? He may not have a personal liability and the property alone may be the security without a personal liability, and do you pay the bank?

Mr. FOLEY. You mean under our present system, or under this proposed system?

Senator FERGUSON. Is this to pay the bank the money, and they did not require him to carry the insurance?

Mr. FOLEY. No; and under the State laws ordinarily applying—and I made some check on this and I understand they apply in Kansas—there is still a deficit liability.

Senator FERGUSON. Then he is personally liable, because he signed the note?

Senator THYE. Which means a judgment.

Senator CORDON. What would be the case if A borrowed 90 percent of the value of his property, and had paid off 10 percent of the over-all, and had the remainder as a claim against the property and sold it to B, who was not personally liable on the note, without any promise on the part of B to pay the debt? There are many of those cases wherever the transfers are, and I expect 90 percent of them relieve the new owner of the personal obligation, although the old owner still has it.

Mr. FOLEY. Senator, I would like to give you a long, or fairly long answer to that, if I may, and it is not a full answer.

Senator CORDON. I do not think that those would be isolated cases, or I would not ask you about it.

Mr. FOLEY. There are many authorities that the Government has placed in the Housing Agency, insurance of mortgages and other things, and we have learned that you have to be pretty much alert beforehand to the possibilities of device, and we have attempted to set up machinery to prevent at least too flagrant violation of the intent.

Senator CORDON. And I want to say——

Mr. FOLEY. And we would have to devise one for this.

Senator CORDON. And I want to congratulate you on having had that forward-looking view.

Mr. FOLEY. I think we would have to devise some way, assuming Congress established this system, to take care of as many of the predictable devices to outwit the intent of Congress as we could do, and I think that we probably would be reasonably successful.

Senator CORDON. I am not sure, myself, how far it would be a question of outwitting, and there are equities there that would have to have careful consideration.

Mr. FOLEY. I think so—"outwit" is a poor word—and I think it would be a very ingenious provision by the Congress, there is no question about it.

Senator CORDON. Such a mortgage might be held by a mortgage company having a national coverage, where the law of averages could permit it to absorb a very considerable local loss and still leave it in the black; and it might be held by a widow next door and be substantially all that she had.

Mr. FOLEY. That is right.

Chairman McKELLAR. Are there any further questions, gentlemen?

Colonel HOWSE. I have another problem there, Senator, if I may become a housing expert for a moment. And if we have a large insurance company, and let us take the New York Life, for instance, and the FHA at the moment depends upon private mortgage money being available which they can insure; the New York Life wakes up tomorrow morning and finds out that under this "use" clause that the FHA are now studying, they do not know whether it is going to be invoked or not, as I understand it, and finds out that there is a trick in the fine print some place. You may see a lot of this mortgage money that is now available for FHA insurance going out that way.

Senator CORDON. I think that they made a record after the 1906 disaster in California, that still stands at the top of the list in that field.

Mr. FOLEY. I will say that they do not have to wake up to it; they know.

Senator FERGUSON. Do we not have to know on all of these things you talked about, outwitting these people, do we not have to know before we legislate so that there will not be the outwitting?

Mr. FOLEY. As I said, Senator Ferguson, I think that I used an unfortunate word, "outwit," in which it seemed to involve an intent to trick, but what I really meant was to defeat by circumstance the real intent, but it is a very complicated job.

Senator FERGUSON. What cases do we want to cover, and what mortgagees do we want to protect?

REDUCTION IN EFFECT OF DISASTER ON GENERAL ECONOMY

Mr. FOLEY. I do not think, Senator, that we want to protect any mortgagees in the usual meaning of that word, and that is not, I am sure, the intention of the President or the intention of Colonel Howse or myself, and it is a difficult thing to explain. On the basis of need, as the colonel has put it in his presentation to you, it does become a difficult task to administer by whatever agency might have it to do, if it were enacted. It is not the need of the mortgagee, except as you might entertain a situation such as Senator Cordon has mentioned, of some individual lender whose whole capital is washed away. But it is rather the need basically, as presented to you here today, the need of the Nation to have so large a disaster reduced in its effect upon the defense and general economy, not by indemnifying just on the basis of the amount of loss, but on the basis of need of each to be indemnified to the end that that individual part of the total productive capacity of the area can be restored.

Senator FERGUSON. Let me give you another hypothetical case. Suppose—

Senator CORDON. That is an outstanding statement, and a perfectly clear statement.

Mr. FOLEY. Thank you, Senator.

Senator FERGUSON. What would you do in a hypothetical case if there was a mortgagee and a mortgagor in equal financial situations, and a house was washed away, and would not the loss be the same to both the mortgagee and to the mortgagor? There may be, as was pointed out here, a liability on the part of the mortgagee to pay a personal note or something, but the present loss would be equal, would it not?

Mr. FOLEY. As to the mortgagee's loss and the mortgagor's loss?

Senator FERGUSON. Yes.

Mr. FOLEY. Not necessarily, Senator, unless you assumed that it was a 50-percent mortgage.

Senator FERGUSON. No; it could, also, if you had an 80-percent mortgage or 100-percent mortgage.

Mr. FOLEY. You mean assuming a continuing personal deficiency liability?

Senator FERGUSON. Or where there was not a case of that, the loss could be the same.

Mr. FOLEY. If, for instance, you had a \$10,000 value and an \$8,000 mortgage owing by the borrower, and he did not have deficiency liability, then his equity is \$2,000, and that is his loss.

Senator FERGUSON. But what about the widow lady who owned the mortgage?

Mr. FOLEY. In that type of case, where they have nothing on which to absorb, why, yes, the loss is greater on the lender in that case than it was on the borrower, because this widow lady has \$8,000, her all, at stake; and the borrower had \$2,000 of equity.

Senator FERGUSON. Well, say the man is not allowed to build on that same lot, and the mortgagor has lost everything. Will you recompense the mortgagor?

Mr. FOLEY. What would happen in such a case, I would suppose, would be that there would have to be such a handling of the case that equities would be preserved, and if, for instance, just to take a for

instance, in the case that you have mentioned, it was found that a full indemnification up to 80 percent, which I think was the figure used, was clearly proper to pay, then there would be \$8,000, and I would think that in the administration of that as against the particular type of case you have mentioned, that it would require an agreement of equity between the borrower and the lender for distribution of the indemnification payments.

Senator FERGUSON. What if the mortgagor was well able to sustain this loss, what is in the legislation to cover that kind of a case, and would the mortgagor then get their money?

Mr. FOLEY. As proposed, or as suggested in Colonel Howse's written presentation, I believe, a plan for a write-down of debt could be made a condition to make the payment.

Chairman McKELLAR. Are there any other questions, gentlemen?

If not, we are very much obliged to you.

Senator CORDON. Have we had anything on RFC, which is going to administer the present loan provisions? That is the only thing that I know we should have some information on.

Colonel HOWSE. Mr. Chairman, we have the RFC plan, and the Under Secretary of Agriculture is available in the morning for their part of it.

Senator CORDON. If we could have a half an hour in the morning, we could finish this, when we combine it with the information we have in the House hearings, and have it over with.

Chairman McKELLAR. We will have it in the morning, and we will get it through as soon as possible, because we are taking a lot of time and we must get through.

RECONSTRUCTION FINANCE CORPORATION

STATEMENT OF PETER I. BUKOWSKI, DEPUTY ADMINISTRATOR

POSITION OF RECONSTRUCTION FINANCE CORPORATION

Mr. BUKOWSKI. Mr. Chairman, I am a newcomer here in Washington, and I hope you will give me your indulgence and forbearance for any shortcomings in my statement.

Ours has been a very intimate contact with the disaster area. For the last 4 months, teams of RFC personnel have been dealing realistically and sympathetically with the problems of destruction of property and alleviation of human suffering within the framework of our duties and responsibilities, as authorized and directed by law. For this reason, we subscribe to the basic concept presented in the statement of justification that speedy restoration of productivity of agriculture and industry in this area is vital to our entire national economy.

The position of the RFC on the subject matter before the committee therefore is that this is a program recommended to the Congress by the President. The RFC, upon approval of any program, stands ready to administer and carry out speedily and effectively such part of the plan that may be assigned to it.

The program proposed contemplates three basic things: (1) Liberal loans, (2) indemnities, (3) flood insurance, all under the direction of a Flood Disaster Administration yet to be appointed. It is to be vested with the responsibility of formulating basic policies and assigning functional responsibilities to other agencies.

The RFC is in this picture primarily because we are already performing, in part, one of the specified functions, namely, the making of loans to disaster victims.

Senator FERGUSON. Could I interrupt to ask you how many you have made and how much money?

Mr. BUKOWSKI. I will come to that later, Senator.

Senator FERGUSON. If you have it in your statement you may give it later.

Mr. BUKOWSKI. The RFC did not share in the preparation of the program but did participate in discussions relating to the carrying out of certain other features thereof and, specifically, the problems relating to the indemnity and flood-insurance programs.

DISASTER ACTIVITIES

In order that the committee may evaluate the RFC's possible usefulness in this program, I should like the privilege of presenting a brief background of our disaster activity.

Our disaster lending is conducted pursuant to section 4 (a), paragraph 4, of the RFC Act reading:

The Corporation * * * is authorized * * *. To make such loans as it may determine to be necessary or appropriate because of floods or other catastrophes.

This is broad language and gives RFC broad latitude and authority. Except for certain limitation to which I shall refer later, it made possible a series of steps as related to the Kansas-Missouri-Oklahoma flood areas that I believe will be of interest to this committee.

The first flash floods occurred in Hays, Kans., on June 7, 1951. We immediately declared this region a disaster area. The full force of the flood hit the Kansas Cities on July 13 and on the same day the flood-affected areas in the States of Kansas, Missouri, and Oklahoma were declared disaster regions to become eligible for consideration of loans under the appropriate sections of the RFC Act.

This was followed by the prompt establishment of emergency field offices with adequate staffs as rapidly as such could be assembled in order to render prompt assistance to disaster victims. Our regularly established offices or agencies are located at Kansas City, St. Louis, and Oklahoma City. Emergency field offices were established at Kansas City, Lawrence, Topeka, Manhattan, Salina, Ottawa, and Marion, Kans.; also, at Carrollton, Jefferson City, and Perryville, Mo.; and Miami, Okla.

Recognizing the imperative need for speedy action in handling disaster loan applications, we simplified our procedure by (1) enlisting the cooperation of local banks to distribute, receive, and process loan applications; (2) authorizing examiners in charge of emergency field offices to approve loans up to \$5,000; (3) authorizing agency managers at Kansas City, St. Louis, and Oklahoma City to approve loans up to \$50,000—this authority being increased from \$20,000.

The foregoing program was wholeheartedly accepted by the local banks and it is functioning smoothly. Its advantages are obvious. The RFC obtains the benefit of the local bank's knowledge of the borrower's character and credit; the bank shares importantly in serving its community.

Under this arrangement, loan applications up to \$5,000 may be approved in 24 hours. Upon the issuance of a loan commitment, the disaster victim may proceed to make arrangements with the contractor for restoration of damage. The commitment is assurance to the contractor that funds to pay cost of repair will be available. Where funds, as distinguished from a commitment, are emergently required, the bank may make a temporary loan against the approved RFC commitment.

TOTAL APPLICATIONS RECEIVED

Operating under the foregoing simplified procedure, as of October 4 we received a total of 1,750 applications for about \$21,500,000. Of these, 1,385 have been approved for \$12,720,000; 83 were declined; 68 withdrawn, and 214 are in various stages of processing. The latter are, in the main, for relatively larger amounts and aggregate more than \$5, million.

Our staffs report 8,877 interviews and there were handed out 2,557 applications. It is very difficult to estimate how many more applications may be expected. The reports from the field offices indicate that many disaster victims are holding back on filing loan applications until the prospects of an indemnity program are clarified and disposed of. On the other hand, there are indications that many are drawing on their savings accounts and other sources of their own funds to rehabilitate their properties and restore damage, rather than borrow funds for these purposes.

For the results so far achieved, much credit is due the banks for their unselfish civic-minded devotion of time and energy to this community service. Such service to their respective communities has been a long-standing tradition with local banks.

Would the committee be interested in having the historical background of other activities?

NO LOAN LIMITATION

Senator CORDON. One member would be interested in knowing exactly how much under the law you can loan with respect to the full value of the security that is pledged.

Mr. BUKOWSKI. The discretion is broad. Our discretion is the sole guide to that.

Senator CORDON. Your view is that this provision then in the act which you read and which I quote:

To make such loans as it may determine to be necessary or appropriate because of floods or other catastrophes—

is adequate with the general provisions of law to permit you to make a loan up to 100 percent if you thought that was necessary?

Mr. BUKOWSKI. Yes, sir.

Senator CORDON. You are limited to repayment within 10 years, or are you?

Senator McKELLAR. Could you make loans up to \$500,000 or \$1,000,000?

Mr. BUKOWSKI. Yes, sir.

Senator McKELLAR. Just any amount you wanted to?

Mr. BUKOWSKI. The law permits us to make a loan in any amount.

Senator McKELLAR. In any amount at all, whatever in your judgment it should be?

Mr. BUKOWSKI. Yes, sir, and I might say at this point that we have made a loan of half a million dollars in that territory, at——

Senator McKELLAR. That is a very frank statement, and I appreciate your telling us about it. I doubt if it has any significance here, but I like the way you testify.

Mr. BUKOWSKI. It is in our opinion a fully and well secured loan.

Senator THYE. And the nature of the business is what?

Mr. BUKOWSKI. I am sorry that I can't at this moment tell you.

Senator THYE. You can furnish it for the record.

Mr. BUKOWSKI. I will be glad to do it.

(The information referred to is as follows:)

The loan referred to was authorized in the amount of \$500,000, to be made to Central Realty, Inc., Kansas City, Mo. This is a wholly owned subsidiary of Central Packing Co., Inc., Kansas City, Mo., and is engaged in the business of meat packing.

TOTAL LOANS AUTHORIZED TO DATE

Mr. BUKOWSKI. Parenthetically, I might say that in this situation we have made more loans in substantial amounts than we have anywhere in the past. And I think it might well serve the committee's purposes so know that in our corporate history or existence we have authorized a total of \$63 million in loans, of which \$50 million has been disbursed. I am sure the committee will be interested to know that of this \$50 million of disbursements, the charge-offs and losses on these loans were about \$3½ million, which certainly is a tribute to the integrity of the American people.

Senator CORDON. Now if you will answer the question with reference to your legal limit for repayment of your loans.

Mr. BUKOWSKI. At present it is 10 years.

Senator CORDON. And your construction of the statute is that that applies also to disaster loans?

Mr. BUKOWSKI. Yes, sir.

Senator CORDON. What other limitations do you have upon your loaning authority that causes you difficulty in connection with the applications which you have received or which you feel you might receive in this area?

Mr. BUKOWSKI. Frankly, as an ex post facto thing now we have no difficulty because most of the applications we have had in hand are disposed of and we are on top of the situation.

Senator CORDON. What is the limitation, if any, in a disaster loan with respect to taking junior securities?

Mr. BUKOWSKI. None whatsoever.

Senator CORDON. In other words, if there is a loan of 80 percent outstanding, and the borrower needs 80 percent for prospective use in reestablishing that security, you could make that second loan?

Mr. BUKOWSKI. Yes, sir.

Senator KNOWLAND. What is the interest rate on it?

Mr. BUKOWSKI. Three percent. May I continue?

Senator McKELLAR. You may go ahead.

Mr. BUKOWSKI. Also, for the record, I want to state that our authority places no restriction on who is eligible for a disaster loan. Being aware of the functions designated for the Department of Agri-

culture, we obviously refrained from loans to farmers. While RFC concerns itself in its normal operations with loans to business enterprises, in disaster lending we interpret our authority to include homes and housing, as well as retail and wholesale stores and manufacturing plants.

LIMITATION ON CATASTROPHE LOANS

We are operating with funds borrowed from the Treasury with an over-all ceiling limitation of \$993 million. Within this limitation the present limitation on catastrophe loans is \$40 million. Against this, we had \$4,600,000 loans outstanding before the present flood situation developed. With recent commitments and pending applications the funds available for use approximate \$14 million. I am of the opinion that a substantial increase of funds for catastrophe or disaster lending is necessary and, if not provided pursuant to the program presently before this committee, then this should be accomplished by raising the limitation on use of funds for catastrophe purposes from \$40 million to a minimum of \$100 million.

Senator CORDON. That was done in the House resolution, was it not?

INDEMNITIES

Mr. BUKOWSKI. That was embraced in the House resolution.

At this point, a brief comment on indemnities. These are intended to cover in part the losses sustained in real and personal property. It will be recalled that these fall into three groupings: Farms, homes, and industrial and commercial.

If an indemnity program is authorized, there can be no disagreement about administration of farm indemnity functions. Any such program should go into the competent hands of the Department of Agriculture.

Processing of industrial and commercial indemnity claims logically could go to RFC. There is a question on the home or housing indemnities. It would appear practical that an agency or authority having to do with housing should be considered for the purpose. However, it happens to be a fact that the making of loans for restoration of damage to homes is presently an actually performed function of the RFC, hence it would not be illogical to consider the RFC also for the purpose of processing all except agriculture-indemnity claims.

Investigation of indemnity claims and investigation of loan applications have a great deal of similarity. The same inquiry into the credit and integrity background of the parties, the same kind of examination and evaluation and verification of damages are necessary for indemnity claims decisions as for loan purposes. So I think it would be economy for that function to be performed by the same agency.

Because our staff in the field—with over 4 months of experience in this specific area—and because of the smoothly working program of bank cooperation, it may well be that all indemnities, other than farms, should be assigned to RFC. If so assigned, our present thinking embraces the utilization of local banks for expeditious processing and for the information and knowledge such banks can contribute to the effective carrying out of the program.

The decision, of course, will rest with the Flood Disaster Administration. Our position, restated, is that we will undertake to adminis-

ter as carefully and as efficiently as we know how, any part of the program contemplated by the measure before this committee.

Before closing with this phase of the matter before the committee, I should like to call attention to page 6 of House Document 228. That is the message of the President, which specifically reads as follows:

Direct loans or the guaranteeing of loans made by any public or private financial institution upon such terms and conditions as may be deemed necessary for the rehabilitation of houses, farms, and private businesses.

I wish to make two points in that connection.

1. Ordinarily, under appropriation procedure funds are available for expenditure for only 2 years after the expiration of the act. Since this bill is for an appropriation, it is difficult to understand how we could insure loans, the terms of which may extend over a period of years during which term the guaranteeing agency is committed to purchase the loan at any time. It is, therefore, suggested that the following language be inserted in the act:

and further provided that funds committed to guarantee loans shall remain available for expenditure until the commitment has expired.

2. The appropriation expires June 30, 1952. That is the one I just made reference to. Beyond that period the agency making the loan will have administrative expenses incident to the servicing of the loan and may find it necessary to make additional advances for purposes of care and preservation of collateral. Since, under normal appropriation procedures, any receipts are automatically deposited to miscellaneous receipts of the Treasury, it is believed advisable that provision be made for the withholding of such receipts to cover necessary expenses and advances. The following language is therefore suggested:

And provided further, That all receipts from loans made pursuant to this Act be deposited to miscellaneous receipts of the Treasury after deduction of expenses incurred and advances made in the administration and liquidation of loans.

FLOOD INSURANCE REVOLVING FUND

Now, as to the flood insurance revolving fund. The development of a comprehensive workable program blueprinting its operations and estimating its benefits and costs has not been fully developed. It is contemplated that the Flood Disaster Administration will formulate the ground rules under which the operation will be conducted. In broad perspective, however, such an operation would not be new to the RFC, if assigned to us.

ACTIVITIES OF WAR DAMAGE CORPORATION

As this committee may already know, one of the RFC subsidiaries in World War II days was the War Damage Corporation. In its relatively brief existence, working in cooperation with the insurance industry, it collected premiums of about one-fourth billion dollars, and turned over to the Treasury approximately \$210 million. The total claims aggregated \$1,275,000.

Of these claims, all but 300 in number and \$73,000 in amount were principally in our Pacific island possessions. I have some interesting references to what those claims consisted of, but I don't think it will be important to the committee.

Senator CORDON. Can I ask one question there? I would like to know whether the collection of the premiums for war-damage insurance was made by RFC, or by insurance companies and from time to time paid to RFC in large or one-package amounts.

Mr. BUKOWSKI. The latter was the arrangement; yes, sir.

Senator McKELLAR. Let me ask a practical question. Take a bank that unfortunately loans 80 percent of its capital. Could a bank like that make a loan if you thought that the security was sufficient? I am not suggesting that one could do it because I doubt the wisdom of making such a loan, but I am just asking you, could you do it?

Mr. BUKOWSKI. Would the chairman be good enough to repeat the question?

Senator McKELLAR. If a bank loaned 80 percent of its capital, could a bank borrow from you?

Mr. BUKOWSKI. I don't see how it could qualify because it could only have two types of damage; one would be damage to its intangibles, and the other would be to the tangible property; and the presumption is that a bank should be in good enough position to take care of its own problem, but if it were shown that it qualified under the disaster loan program, we have the authority to do it.

Senator McKELLAR. You have answered the question. Go ahead.

Mr. BUKOWSKI. If, in the emergent setting up of a flood insurance revolving fund, administration and operation thereof by the RFC is deemed desirable, based on past experience with War Damage Corporation, then on behalf of the RFC I wish to give assurance of our readiness to undertake the responsibility.

In conclusion, let me register the fact of one minor handicap in our loan operations. The present language of the RFC Act does not clearly establish our authority to make participation loans with banks in the case of disaster or catastrophe loans. However, if it were construed that such authority did, in fact, exist, then the limitation of 70 percent maximum deferred participation would apply.

We believe that speed is the essence of worth-while and effective assistance. However expeditious the program under which we are now operating, we believe that procedures can be speeded up even more by clearly defining RFC's authority to make participation agreements in respect of loans in disaster areas—which is another way of guaranteeing loans—up to 100 percent. That makes for a speedy action if and when a catastrophe of this character should hit again; and, of course, there is no assurance that it won't.

Chairman McKELLAR. We are very much obliged to you.

DEPARTMENT OF AGRICULTURE

STATEMENT OF HERBERT J. WATERS, ASSISTANT TO THE UNDER-SECRETARY

REHABILITATION OF MIDWESTERN FLOOD-STRICKEN AREAS

Mr. WATERS. I am sure I can keep my remarks very brief and still serve the purposes of this committee, and I will be glad to make myself available for any questioning on further details that committee members may desire.

Chairman McKELLAR. We would be very glad if you would put any statement you have in the record, and just tell us the high lights as concerning this one particular matter.

Mr. WATERS. I will be glad to do that.

(The estimate and justification follow:)

The recent extraordinary floods along the Mississippi, Missouri, and Kansas Rivers and their tributaries have caused terrific losses in agricultural production and productive ability. Latest reports indicate that approximately 34,000 farms were wholly or partially inundated by flood waters, with extensive damage to crops, waterways, terraces, and other soil-conservation measures on an additional 198,000 farms in the stricken area as a result of the excessively heavy rains and run-off. Approximately 27,000 farm buildings and 33,000 miles of fences were destroyed or badly damaged. Drainage ditches suffered damages, terraces were destroyed, wells were polluted, ponds impaired, and silt, gravel, and debris has turned once-fertile land into waste. While most mobile farm equipment was removed to higher ground, damages to farm machinery in the worst flood areas was about \$2,800,000. Damages to crops and property in the flooded area exceeded \$140,000,000. Latest estimates place the total value of growing crops destroyed or damaged at \$111,000,000 in the flooded area alone. In addition, crops completely lost or damaged by rain, hail, or wind in areas not inundated were valued at approximately \$274,000,000. Farmers have suffered not only the loss of investment in this year's crops and heavy physical property damage, but face the prospect of heavy costs of restoring land to production along with a year's operating costs before they can expect any returns from the next crops in 1952. Total land damages from inundation on more than 4,400,000 acres amounted to approximately \$41,000,000, including land destroyed for agricultural purposes. In addition, damages due to run-off amounting to \$12,500,000 were incurred on an estimated 25,000,000 planted acres.

The present international situation calls for high levels of agricultural production. Any appreciable loss in the number of acres available for growing crops could result in such diminution of food production as to greatly endanger the internal security of this Nation as well as its position in international affairs.

Hundreds of thousands of acres of the richest and most productive agricultural land in the Nation can be brought back into production for the crop year 1952, if immediate measures are taken to assist farmers in carrying out land-restoration measures and otherwise reestablishing the productive capacity of their farms. Unless rehabilitation work can be undertaken immediately, however, production on much of the farm land in the stricken area will be lost for next year as well as this year. The urgency is a matter of days, not weeks; each day's delay lessens chances of getting much of the land back into needed production for livestock forage during the coming winter, and for needed crops in the next harvest season.

The rehabilitation program outlined in these estimates is aimed at protecting the Nation's interest in maintaining an adequate food supply, by restoring productive capacity of the stricken agricultural area. These appropriation estimates, therefore, are based entirely upon restoring productive capacity, and are restricted to the areas already designated by the President for emergency assistance.

Project statement

I. Direct aid for restoring productivity:

(a) On-farm assistance, through financial aid and technical services, to restore conservation measures and productive capacity of individual farms-----	\$16, 300, 000
(b) Emergency restoration of channel capacity in tributary streams and waterways affecting more than individual farms, and related measures-----	1, 960, 000
(c) Grants to farm families unable to secure loans for livestock, repair or replacement of essential farm buildings, household furniture, etc-----	1, 750, 000
(d) Direct guidance and assistance to affected farm families, through the cooperative agricultural extension service-----	180, 000
Total-----	20, 190, 000

Project statement—Continued

II. The loan program: (a) Disaster loans to farmers unable to secure credit from other sources for replacing or repairing farm homes and buildings, equipment and household furnishings, replacing livestock, and meeting essential farm and operating expenses-----	\$30, 000, 000
Total-----	¹ 50, 190, 000

¹ Does not include provision for any indemnity payments to farmers, covered elsewhere in connection with the justifications for the indemnity program generally.

Of the total estimate of \$50,190,000, an amount of \$30,000,000 would be used for disaster loans to farmers and would be recoverable by the Government through repayment of principal and interest. The estimate proposes \$14,700,000 for financial aid to farmers for rehabilitation of agricultural lands, including restoration of conservation measures. In addition, \$1,750,000 would be required for grants to farmers who are unable to secure loans for livestock, repair or replacement of farm buildings, household furnishings, equipment, etc. The remaining \$3,740,000 is proposed for restoration of channel capacity in tributary streams and waterways, on-farm technical services and guidance to farmers, and necessary administrative costs.

The breakdown of the total estimate, as indicated in the above project statement, reflects the needs for flood relief and rehabilitation in agricultural areas based on the best information presently available. It is not possible at this time to estimate, in precise terms, the amounts required for the individual programs or to anticipate all detailed needs that might develop as the program progresses, such as special economic appraisals, and informational and other materials and services. It is assumed that funds requested herein will be available for any such purposes as the need therefor becomes apparent.

I. DIRECT AID FOR RESTORING PRODUCTIVITY

(a) *On-farm assistance, through financial aid and technical services, to restore conservation measures and productive capacity of individual farms*

The flood waters, excessive rainfall and run-off have caused terrific losses in agricultural production in areas in Missouri, Kansas, Oklahoma, and Illinois. Hundreds of thousands of acres of the richest and most productive agricultural land in the Nation can be restored and brought back into production for the crop year 1952 if immediate measures are taken to assist farmers in carrying out land-restoration measures.

The present international situation calls for high levels of agricultural production. Any appreciable loss in the number of acres available for growing crops could result in such a diminution in food production as to greatly endanger the internal security of this Nation as well as its position in international affairs.

Financial aid in carrying out emergency practices.—It is planned to offer assistance to farmers on the basis of individual farm needs as established by the farmer in consultation with his local county committee of the Production and Marketing Administration.

The rate of assistance for urgently needed practices to restore the agricultural economy in the flood area generally will not exceed 80 percent of the cash cost of the necessary work. The assistance will be rendered on an individual farm basis, and will be tailored to the needs of each farm. Farmers will furnish all necessary labor. The contribution of the Government toward the cost of carrying out these emergency practices is about 30 percent more than the assistance provided for practices under the regular agricultural conservation program. This assistance would include the following:

Establishing or reestablishing pastures, hay, forage and cover crops, including such light applications of minerals as are necessary-----	\$3, 700, 000
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—Latest reports indicate that more than 596,000 acres of land should be seeded to desirable grass-legume mixture or a type of cover that will provide grazing this fall and winter. The seeding selected will serve the dual purpose of livestock forage at the earliest possible date and the introduction of necessary humus in silted soils that would otherwise be in very poor condition to produce in 1952. Since the floods may have increased leaching,

this type of seeding will require mineral applications in many instances. Such applications and the desirable seedings on each farm will be based upon technical recommendations provided by local representatives of the agricultural agencies and farmer experience.

In this type of restoration work, only a very short time remains in the fall of 1951 for these seedings. If the Government investment is to be well handled in the interest of the farmer and the national production goals, assistance should be made available immediately.

Redigging and clearing open field drains..... \$5, 000, 000

An estimated 1,000,000 acres of bottom land in the flood area that was ditched before the disaster will need extensive clearing or redigging operations. In those cases where channels have shifted and left pockets of stagnant water on good land it will be necessary to provide for draining these stagnant pools so that the soil may be put back into use. These measures should be undertaken immediately on each farm in order to protect fall-seeded field crops and wheat from further damage by winter and spring rainfall.

Rehabilitation of stock water facilities..... 1, 500, 000

It will be necessary to clean or replace wells and livestock ponds that support a valuable livestock industry. Since the disaster area includes a large proportion of the general livestock industry of the Midwest, it is imperative that immediate steps be taken by the producer whose water supply has been lost or damaged. Most damage is from siltation. A few structures were damaged by overflow where excessive rainfall surpassed any record of recent times. It is estimated that \$100 to \$150 will be sufficient to assist in restoring the average development.

Restoration of terraces, fences, erosion-control measures, and clearing debris from flooded land..... 4, 500, 000

Field estimates indicate that damage to terraces, waterways, and erosion-control dams will approximate \$825,000. The additional needs represented by loss or damage to some 33,000 miles of fences, the necessity of removing debris from valuable land sites, and the deep plowing required for light sand deposits on good land, is an over-all job the cost of which cannot be borne by most farmers who have lost their 1951 crops and in some cases their machinery and livestock. After a determination has been made as to the work needed on each farm, the farmer will be advised as to the assistance he may expect in getting the work done.

Total, on-farm financial aid..... 14, 700, 000

Administrative expenses to administer financial aid program in the designated disaster areas comprising 157 counties in the States of Oklahoma, Kansas, Missouri, and Illinois.....

985, 000

PMA county committee costs in connection with contacting farmers and determining the need for assistance and the type of assistance needed, allocating funds to different practices and issuing notices of approval of assistance, arranging for vendors to furnish materials and equipment for the restoration work, determining performance, processing vendors vouchers and payment vouchers of farmers, etc.; also National and State office operating costs (primarily travel and communications) in connection with supervision, coordination and general servicing of the program.

On-farm technical services to farmers on repair and rehabilitation of land and improvements.—Very heavy rains which resulted in floods produced unprecedented damages to farms. Soils were saturated from previous heavy rains during May and June. As a result of high intensities of precipitation exceeding several inches per hour in many places, land and improvements including conservation measures such as terraces, terrace outlets, waterways, etc., on individual farms were severely damaged. The amount of runoff exceeded any reasonable design capacity. Rainfall conditions were of the type that might not be experienced more often than once in 50 years. As a result, farmers are confronted with the problem of extensive repair and reconditioning work to get the land in shape for planting the next crop. This, coming on top of extensive and often total crop losses, makes it imperative for the Government to render emergency assistance.

Stream flow in central Kansas during the month of July was 7,000 percent of normal. Flood stages reached were the highest ever known or were exceeded only by the flood of 1844. Farm fields along many bottom lands were so cut up by floodwaters and so covered with debris that replanting will be impossible until emergency aid is available. Waters now standing on the land must be drained. Field drainage lines must be repaired, wells and other water facilities reconditioned, fences repaired and replaced, etc.

It is planned to employ additional farm planners, conservation aids, and other professional and subprofessional employees locally and from State colleges and universities to work under the direction of trained supervisory personnel already located in the flood area.

Assistance will be given to individual farmers in planning and rehabilitation work and in providing needed technical assistance in laying out the work on the ground and in supervising construction where necessary.

Emergency repair of damage and rehabilitation of land and improvements on upland farms as a result of excessive rains and runoff. . . . \$350, 000

Technical services would be rendered in connection with the following types of operations in the devastated areas: Repair of breaks in terraces and terrace outlets; sloping and seeding of washed-out waterways and other gullies caused by storm; repair of breaks in farm ponds; repair of other conservation structures; emergency seeding of washed-out areas in fields and pastures to prevent further erosion; and replanning conservation on farms where damage has been so severe as to require extensive adjustments in land use; i. e., where cultivated fields have been so eroded as to require a change-over to permanent type of vegetation—as from corn to grass.

Technical assistance to farmers on repair of damage, and repair and rehabilitation of flood damages on overflowed farms. . . . 265, 000

The technical services would be furnished for the following types of operations: Clearing of debris from land; ditching to drain floodwater back into stream channels to permit cultivation; levelling of lands and filling of gullies and depressions scoured out by flood waters; cleaning of field drainage ditches and tile lines; cleaning of water facilities, as wells and ponds used for livestock, or, in cases of destruction, location of new wells and facilities; repairing and replacing fences necessary for proper land use; and emergency seeding of bottomland to assure protection and provide for forage, feed, and hay crops.

Total, on-farm technical services. . . . 615, 000

Total, on-farm assistance, through financial aid and technical services: \$16,300,000.

(b) *Emergency restoration of channel capacity in tributary streams and waterways affecting more than individual farms, and related measures*

The heavy rains caused extensive erosion from farm lands and stream banks in an area in Kansas, Missouri, Oklahoma, and Illinois. The runoff and floodwaters deposited sediment and debris in the channels of many tributary streams, waterways, and ditches. With inadequate channel capacity to carry the water, it broke through stream banks and flooded over adjacent bottom lands. Portions of the channels of many streams are still filled with the sediment and other debris. Before farmers can safely reclaim the adjacent lands and get them back into production, the carrying capacity of channels must be restored and actual and imminent break-outs and cut-offs must be plugged so that the runoff from storms of frequent intensity and volume can be carried off without repeated flooding of adjacent bottom lands. Large gullies caused by the runoff need to be checked to prevent rapid headward growth and emergency measures are required to contain sediment until conservation measures on uplands can be established.

The work affects groups of farmers and communities and cannot be accomplished by individual farmers. It must be done quickly if the lands are to go back into needed immediate production.

The emergency work would be carried out through the Soil Conservation Service with its regular field organization, adjusted to the extent necessary to handle the additional workload, in cooperation with local units of Government. The Soil Conservation Service would prepare the necessary plans, designs, and specifications and arrange for contractual accomplishment of the work whenever possible.

Activity	Unit of measurement	Total	
		Quantity	Cost
1. To clean debris and sediment plugs from streams, channels, and from locations above bridges, where necessary to restore channel capacity to that existing before the flood.	Miles-----	205	\$620,000
2. To clean and reconstruct minor drainage ditches and outlets which serve more than one farm.	-----do-----	1,240	615,000
3. To construct dikes and barriers necessary to close cut-offs and return stream flow to original channels.	Jobs-----	40	180,000
4. To provide emergency protection for stream banks where necessary to prevent imminent changes in stream courses.	-----do-----	50	185,000
5. To construct channel-stabilization structures where necessary to prevent rapid headward growth of major gullies or valley trenches formed during the flood.	Each-----	120	360,000
Total-----			1,960,000

(c) *Grants to farm families unable to secure loans for livestock, repair or replacement of essential farm buildings, household furniture, etc.*

To provide for funds in the form of grants to farm families unable to secure loans, \$1,750,000.—Many thousands of farm families in the flood-stricken areas of the Midwest who suffered losses of crops, livestock, machinery, and equipment, and destruction or damage to farm buildings, fences, waterways, terraces, and other soil losses do not have funds available or a basis for obtaining necessary credit with which to replace or repair the property and continue in the farming business. Many of these farmers are tenant operators whose resources at the outset were very limited. The losses of livestock and destruction or damage to growing crops alone have resulted in the loss of a year's income for many of these families. It is anticipated that many farm families, including owners and tenants will need grants to replace livestock, purchase feed, replace or repair farm buildings, replace household furniture, and meet the cost of land restoration. There is also a need for grants in connection with rehabilitation of water-supply systems.

(d) *Direct guidance and assistance to affected farm families through the Cooperative Agricultural Extension Service*

For guidance and assistance through Extension Service, \$180,000.—The conditions resulting from the serious floods present numerous problems of major magnitude to the farm families involved. Where dwellings have been destroyed new homes will have to be constructed or other places of residence found elsewhere. Badly damaged homes will require rehabilitation calling for the employment of techniques and methods with which rural people are not familiar with the exception of those few who have previously suffered a similar experience. Individual family counsel and assistance will be required in connection with rehabilitation of home-heating systems, water supplies, and plumbing, electric circuits, floors and woodwork, household mechanical equipment, furniture, etc.

Likewise, a similar help will be needed with respect to disease-prevention measures and the handling and disposal of food supplies affected by the flood, and a host of other problems associated with getting homes rehabilitated as well as possible prior to the winter period. Help will also be needed with developing economic plans for reconstructing farm buildings that will serve the purpose and at as low cost as possible, in rehabilitating motor-driven and other farm equipment inundated by flood waters, in replanning the farming system in light of the flood damages incurred to the physical plant, and the proper care and handling of livestock until such time as permanent quarters and normal feed supplies can be made available.

The extent and nature of the job to be done is such that a very great amount of personal consultation and guidance is necessary for the families involved over and above that which it will be possible to render through the existing extension staff in the counties involved. The nature of the requirements are such that intensive help is essential in the weeks remaining prior to about December 1 in order that the families involved may be reasonably well equipped to go into the winter months with safe and sanitary homes, with shelter for their livestock, and with their equipment in shape to take care of such farm work as possible during the fall months. If this job is to be done on time and adequately, special help will be needed to give full time to such direct guidance and assistance.

There are no extension funds available from Federal sources which can be allocated to the States to deal with a problem of this type. In view of the much more

spectacular and easier discernible damages within the States involved which will require heavy State expenditures, such as the repair and replacement of roads, bridges, and the like, it is quite improbable that any significant amount of State funds can be made available for equally essential but less spectacular type of reconstruction and rehabilitation work needed on individual farms. A few dollars well spent in giving requisite guidance and assistance to affected individual farm families will result in very significant rehabilitation work being done contributing directly to human welfare and done largely through the resources and initiative of the farm families themselves.

However, practical advice, counsel, and demonstration as to ways and means of self-rehabilitation will be essential to insure that this accomplishment is attained.

II. THE LOAN PROGRAM

(a) *Disaster loans to farmers unable to secure credit from other sources for replacing or repairing farm homes and buildings, equipment, and household furnishings, replacing livestock, and meeting essential farm operating expenses, \$30,000,000*

As a result of the extensive damage from excessive heavy rainfall, runoff, and floods in the stricken area, farm operators are in immediate need of credit with which to place their farming operations on a going basis. The immediate on-the-farm needs are to replace or repair damaged or destroyed farm buildings, to remove the debris and silt from farm lands, to dig out or replace fences that have been damaged or destroyed, to reseed waterways that have been washed out, to replace terraces that have washed away, to replace lost or destroyed household furnishings, to purify or rebuild water supplies, and for seeding of cropland, including reseeding pastures and legumes. There will be an extensive need for loans in the early spring months to meet annual operating costs. In addition to the immediate need for financial assistance in the area, many farmers, because of the extensive property damage suffered and the partial or total loss of farm income for the year, will require emergency-type Government loans over a considerable period of time. In other words, it will likely take several years for many farmers in the stricken area to overcome the losses suffered so that they will be in a position to return to normal credit sources.

Under the present authorities of the Farmers Home Administration, farmers are being assisted in the stricken area with loans, to the extent of the availability of funds, under its regular farm ownership and farm housing loan programs and under the production and subsistence operating loan program. Under existing authorities, funds available each year for farm ownership loans must be distributed between States based on farm population and prevalence of tenancy. Under this formula, States in the flood-stricken area will receive only a limited amount of farm ownership loan funds during 1952. However, authority is available to the Administration, pursuant to the provisions of Public Law 38, approved April 6, 1949, to make disaster loans in this and other areas to farmers who have suffered losses and who are unable to obtain loans from local credit sources. Such disaster loans may be made for any agricultural purpose, including operating expenses and real estate restoration. Except for the fact that no funds are included in disaster loans for the refinancing of existing indebtedness, disaster loans can meet practically all of the types of credit assistance needed in the flood areas by individual farmers unable to secure credit from other sources.

Except for the authority contained in the Housing Act of 1949 for the making of farm housing grants to make minor repairs to farm dwellings, the Farmers Home Administration does not have authority to make grants in this or any other area to meet the apparent urgent need of many farm operators who are unable to continue operations without such assistance.

The demand for disaster loans in this area is already heavy. It is anticipated that this demand will increase substantially during the next 30 to 60 days and will remain at a high level for a considerable period of time. These loans are available only to farmers in the stricken area who have suffered substantial losses and who are unable to obtain credit from local sources to continue their operations. The demand for loans is aggravated because there is such a large number of farmers affected in the stricken area and this is resulting in an unusually heavy strain on local credit sources. This situation is also aggravated by the fact that the extent and nature of the property losses sustained by a substantial number of farmers have rendered them ineligible for local private credit to replace or repair the damaged property and to finance their continued operations. This estimate includes funds for making loans to meet current operating costs, to replace or repair essen-

tial farm equipment, and to repair or replace household furnishings, for land development, and to replace or repair farm dwellings and other buildings, and for administrative costs in connection with such loans. Disaster loans will be made at 3 percent interest for any of the many purposes enumerated.

An additional \$30,000,000 is required to meet the loan needs of farmers in the flood-stricken area. Allotments from existing balances in the disaster loan revolving fund under Public Law 38 (81st Cong.) have already been made for the States involved, and loans from such allotments are now being made. However, the July 1, 1951, balance of about \$13,000,000 in the fund available for loans plus the anticipated collections of \$19,000,000 during the year will be wholly insufficient to meet the need in the flood areas and in other areas of the United States where production disasters have occurred, or probably will occur during the 1951 crop year.

Rehabilitation of midwestern flood-stricken areas (allocation to Department of Agriculture)

FUNDS AVAILABLE FOR OBLIGATION

	Estimate, 1952
Allocation from "Rehabilitation of midwestern flood-stricken areas"	\$50,190,000

OBLIGATIONS BY ACTIVITIES

Description	Estimate, 1952
I. Direct aid for restoring productivity:	
(a) On-farm assistance, through financial aid and technical services, to restore conservation measures and productive capacity of individual farms	\$16,300,000
(b) Emergency restoration of channel capacity in tributary streams and waterways affecting more than individual farms, and related measures	1,960,000
(c) Grants to farm families unable to secure loans for livestock, repair or replacement of essential farm buildings, household furniture, etc	1,750,000
(d) Direct guidance and assistance to affected farm families, through the Cooperative Agricultural Extension Service	180,000
Subtotal	20,190,000
II. The loan program.	
(a) Disaster loans to farmers unable to secure credit from other sources for replacing or repairing farm homes and buildings, equipment, and household furnishings, replacing livestock, and meeting essential farm and operating expenses	30,000,000
Total obligations	\$50,190,000

¹ Does not include provision for any indemnity payments to farmers, covered elsewhere in connection with the justifications for the indemnity program generally.

Rehabilitation of midwestern flood-stricken areas (allocations to Department of Agriculture—Production and Marketing Administration)

OBLIGATIONS BY OBJECTS

Object classification	Estimate, 1952
06 Printing and reproduction	\$7,500
07 Other contractual services:	
Transfer to "Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938" for National and State office operating expenses	30,000
Transfer to "Local administration, sec. 388, Agricultural Adjustment Act of 1938" for county committee operating expenses	947,500
11 Grants, subsidies, and contributions	14,700,000
Total obligations	15,685,000

Rehabilitation of midwestern flood-stricken areas (allocation to Department of Agriculture—Soil Conservation Service)

OBLIGATIONS BY OBJECTS

Object classification	Estimate, 1952
Total number of full-time positions.....	179
Full-time equivalent of all other positions.....	8
Average number of all employees.....	174
01 Personal services:	
Full-time positions.....	\$631,000
Part-time and temporary positions.....	22,000
Payment above basic rates.....	2,000
Total personal services.....	655,000
02 Travel.....	86,000
03 Transportation of things.....	1,600
04 Communication services.....	5,200
05 Rents and utility services.....	1,200
06 Printing and reproduction.....	500
07 Other contractual services.....	1,780,000
08 Supplies and materials.....	44,000
15 Taxes and assessments.....	1,500
Total obligations.....	2,575,000

Rehabilitation of midwestern flood-stricken areas (allocation to Department of Agriculture—Farmers Home Administration)

OBLIGATIONS BY OBJECTS

Object classification	Estimate, 1952
Full-time equivalent of all other positions.....	101
Average number of all employees.....	101
01 Personal services: Part-time and temporary positions.....	\$321,375
02 Travel.....	46,950
04 Communication services.....	2,000
11 Grants, subsidies, and contributions.....	1,750,000
15 Taxes and assessments.....	4,675
16 Investments and loans.....	29,625,000
Total obligations.....	31,750,000

Rehabilitation of midwestern flood-stricken areas (allocation to Department of Agriculture—Extension Service)

OBLIGATIONS BY OBJECTS

Object classification	estimate, 1952
11 Grants, subsidies, and contributions (payments to State extension services).....	\$180,000

Rehabilitation of midwestern flood-stricken areas (allocation to Department of Agriculture—Summary)

OBLIGATIONS BY OBJECTS

Object classification	Estimate, 1952
SUMMARY OF PERSONAL SERVICES	
Total number of full-time positions.....	179
Full-time equivalent of all other positions.....	109
Average number of all employees.....	275
01 Personal services:	
Full-time positions.....	\$631, 000
Part-time and temporary positions.....	343, 375
Payment above basic rates.....	2, 000
Total personal services.....	976, 375
02 Travel.....	132, 950
03 Transportation of things.....	1, 600
04 Communication services.....	7, 200
05 Rents and utility services.....	1, 200
06 Printing and reproduction.....	8, 000
07 Other contractual services.....	2, 757, 500
08 Supplies and materials.....	44, 000
11 Grants, subsidies, and contributions.....	16, 630, 000
15 Taxes and assessments.....	6, 175
16 Investments and loans.....	29, 625, 000
Total obligations.....	50, 190, 000

GENERAL STATEMENT

MR. WATERS. The Department of Agriculture at the time of this flood made very extensive surveys in the area through our county and State agricultural mobilization committees, and these committees are coordinating bodies consisting of the heads of all of our agencies as well as the State agencies at the State and county level.

We investigated first the extent to which we could provide assistance within our existing programs with the funds already available, and carried out such assistance to the greatest extent possible. As a further result of that survey, we compiled recommendations for providing further assistance within our existing programs that we believed necessary to restore the productivity of the area. We recommended to Colonel Howse the amount of funds which we felt necessary to do that job.

The Agriculture Department has approached the problem in this area strictly from the standpoint of getting that big agricultural area back into production. Such a heavy loss is serious at any time and we certainly regard it as more serious at a time when we have such an urgent need for abundant production. I believe Colonel Howse has certainly emphasized the extent of the loss sufficiently not to require any repetition.

The types of measures we have proposed for restoring productivity were based upon, or I think were justified, on the basis of the public interest in that food supply, rather than the basis of the need for individual assistance. We are thinking of the Nation's need for the food that could be produced in the area, above the individual's need for assistance, however great that may be.

ON- AND OFF-FARM ASSISTANCE

Our proposal for restoring productivity broke down generally into on-farm assistance in which we propose that the Government assume a share with the farmer for certain specified practices that will restore the production of flood-damaged land, and we also proposed off-farm assistance that consisted principally of emergency restoration of channel capacity and tributary streams and waterways, and types of problems that affect more than any one individual farm and would not be any one individual's responsibility.

We also proposed expanding our existing disaster loan program through which the Department has maintained disaster assistance in all parts of the country under any type of disaster. It is our recommendation that additional funds would be needed for that program in this area.

AGRICULTURAL EXTENSION SERVICE

We also propose a small amount for additional direct guidance and assistance to affected farm families in the area through the Agricultural Extension Service, and we have proposed a very limited grant recommendation to supplement our Farmers Home Administration program. The grants were proposed primarily for the problems that involve tenant farmers in the area, and are proposed to be used in conjunction with disaster loans where we had the types of cases where a loan might not be practical, and the farmer would not be in a position to repay it on top of existing indebtedness, whereby a limited grant and loan combination might put him in a position to get back on his feet as a result of the loan.

These recommendations of the Department of Agriculture are entirely separate from the general indemnification proposals, which we have also supported. We believe they are all based on land restoration. It took precedence in our opinion for immediate need of the area.

Senator CORDON. May I ask a question there? The House action included all of your request except the \$1,750,000 for grants?

Mr. WATERS. That is correct. The type of damage that was not included in these proposals but was proposed to be included in the general indemnification will include land that we believed damaged beyond immediate restoration, and we have an estimate of approximately 113,000 acres of land that cannot be restored and will be wiped out as practically a total loss. Under general indemnification proposals, on the basis of need the individual would receive some recompense for the loss of that property, and also for buildings, farm machinery and other productive facilities which we have not proposed for inclusion in our land-restoration program.

I might say as far as our disaster loans are concerned that it might partly answer the question of the Senator from Minnesota. We provided in 1949, 1950, and 1951, disaster loans through the Department of Agriculture amounting to about \$600,000 in that area. Under our Farmers Home Administration and the disaster loan program, the disaster areas can be proclaimed in any part of the country.

Senator THYE. Then the type of a loan that you granted in the flooded area earlier, that is in the year of 1950 and early 1951, would be the same type of a disaster loan that you would intend to loan in this area of Kansas and Missouri?

Mr. WATERS. That is correct, Senator.

I think that that generally outlines the program of the Department of Agriculture which we have in mind, except to emphasize the urgency of particularly the land-restoration phases of this program. We feel that if this land is to be brought into production for next year, it is important that a lot of this work get started very soon, particularly a lot of the channel clearance, and a lot of the on-farm practices that are necessary this fall if we are going to get production next year.

Senator THYE. Well, if in the event Congress did grant this one particular fund here that is made mention of, \$1,750,000, would that be general in its application across the Nation or confined to that specific area?

Mr. WATERS. That would be confined to this area to supplement the disaster-loan program in this area.

Senator THYE. But in the area previous to this particular flood, you never went into an area to assist the individual owner in clearing off the debris and the regrassing of the gullies, or the water runways, and the like of that, did you?

Mr. WATERS. To some extent under our existing programs that is done.

Senator THYE. That would be under your soil-conservation programs, but there it is a question of what you may earn and which is a question of what you may earn and which is a very limited amount to each quarter section or each individual owner, but in this instance, you would go in and it might cost several hundred dollars of which no credit was provided there or there were no earnings whatsoever to allow that expenditure.

Chairman McKELLAR. Are there any other questions, gentlemen? Senator Hennings, do you have a statement?

FLOOD REHABILITATION IN THE MISSOURI BASIN

STATEMENT OF HON. THOMAS C. HENNINGS, JR., A UNITED STATES SENATOR FROM THE STATE OF MISSOURI

Senator HENNINGS. I want to thank you, Mr. Chairman and members of this committee, for giving us the opportunity to come here this afternoon. Colonel Howse has made an excellent and comprehensive statement, as have the other gentlemen here.

Chairman McKELLAR. We are very much obliged to you for coming down. You have got a very serious situation there that we all have the greatest sympathy for.

Senator HENNINGS. Mr. Chairman, I am deeply grateful to you and to the members of the Senate Appropriations Committee for the sympathetic understanding and cooperation which you have shown by scheduling such prompt hearings on the problem of flood rehabilitation in the Missouri Basin.

As you know, Mr. Chairman, Senators from the Missouri River Basin have been especially concerned about obtaining immediate relief and rehabilitation assistance for the flood victims. You will recall that on September 18 I wrote you requesting that the Senate committee consider holding hearings more or less simultaneously with the House. At that time you promptly indicated your sympathy and your desire to do what you could in the matter. It apparently was not feasible for your committee to then hold hearings. Following

passage of House Joint Resolution 341 in the House, on October 4, I wrote you expressing my hope that it would be possible for you to hold hearings on the bill immediately. Your response has been most gratifying to us all.

I know that I speak not only for myself but for all the people in the flood-stricken area when I express our sincere gratitude for this prompt action to insure that this extremely important measure would be enacted before Congress adjourns. I would like to add one further word of thanks to you, Mr. Chairman, and to the members of your committee for the promptness with which the additional funds for the President's disaster relief fund were approved in order to meet the most pressing emergency needs arising from this disaster.

All of the members of this committee I am sure are familiar in general with the scope of the devastation in the flood area. Yet, unless one has actually been in the area and seen the destruction at first hand and talked to the people, it is almost impossible to comprehend fully the impact of the disaster—the worst disaster of its kind in the Nation's history. While pictures are inadequate to describe the full extent of the ruin and misery, nevertheless, I thought the members of this committee would surely be interested in looking over two graphic portrayals of what will always be remembered in the stricken area as Black Friday, July 13, 1951.

I have here an exhibit prepared by the St. Louis Post-Dispatch and another prepared by the Columbian Steel Tank Co. of Kansas City for your information.

(The exhibits referred to were filed with the committee.)

RELIEF THROUGH EMERGENCY DISASTER APPROPRIATION

Senator HENNINGS. The emergency disaster appropriation has been of tremendous benefit in meeting the most immediate and urgent needs arising out of the flood. It has served to relieve human suffering, provide temporary shelter, food, clothing. It was used to restore transportation and communication facilities and for public health measures to prevent disease and epidemic. This is in no sense, however, a complete answer. The problem which we are faced with is one of economic rehabilitation. Here we are confronted with a large and highly productive area of our country which is still suffering from paralysis. Business and industry and agriculture which were completely immobilized must be restored to full capacity. So long as farmers cannot produce, so long as business and industry remain crippled, so long as wage earners remain unemployed and their skills idle—there is a serious threat not only to the economy of that area but to the economy of the entire Nation. Loss of productive capacity, particularly on defense contracts, the ruin of crops, destruction of livestock and the disruption of normal business activity are all factors which as a nation building for defense we simply cannot afford. We must face up to the situation and we must solve it with bold and constructive measures.

On August 1 I introduced S. 1935, the Floods Claims Act of 1951, to provide a measure of indemnity for losses suffered in the 1951 floods. As I pointed out at that time, while the measure represented a new concept of meeting disaster in this country, it was patterned after the method used in the Philippine Rehabilitation Act creating a War

Damage Commission, which was authorized to make compensation for physical loss or damage to certain kinds of public and private property occurring in the Philippines as the result of World War II. Direct rehabilitation of a somewhat similar nature was provided by the Federal Government in the emergency land conservation measures and direct financial aid to meet the national disaster caused by the severe drought in the thirties. Where a national disaster occurs of such proportions that the resources of the individuals and communities and States affected are inadequate to meet the need and where the impact has such a staggering effect on the national economy, I can see no alternative except for the Federal Government to provide help.

FEATURES OF PROPOSAL

The major features of my indemnification proposals were incorporated in the message which the President sent to the Congress on August 20. In his message at that time, the President said that the indemnity proposal—

will revive the region of the Nation now badly hurt—a region of such importance to the security and welfare of the whole country that its revival must be the immediate concern of all of our citizens.

The measure which has been passed by the House, House Joint Resolution 341, provides assistance in the form of loans but does not include either the provisions for indemnity or the insurance provisions recommended by the President. In that connection, I would like to quote again, briefly, from the President's message:

Loans, even on liberal terms, are not enough to meet this situation. People who lost their homes, farms, and businesses now have little or no security to offer a lender. Very few, if any, individuals or businesses had any insurance protection against their flood losses. Generally speaking, private insurance companies have not offered such protection because of the uncertain nature of the risk. Consequently, many people were left after the flood with nothing, or with nothing but their debts. If they could borrow more, new loans added to the old ones would create a debt burden that for an indefinite time to come would be a drag on the economic vitality of the region and would impair its ability to contribute to building our national security.

EXTENT OF DAMAGE

Just for the record, let me point out the damage occurred in an area extending a thousand miles in length. The loss was estimated at \$2½ billion. Some 5 million acres of land were inundated and 30 million acres suffered erosion. Almost 140 communities were inundated. Of the 385,000 people who were displaced persons at the height of the flood, about 15,000 families are still, almost 3 months later, unable to return to their homes. The loss to the Federal Government in tax revenues has been estimated at \$250 million. In addition to the figures representing physical loss which can be cited, there was also the loss of hundreds of thousands of man-hours on a farm and factory output, which probably cannot be estimated.

I have pointed out that where the disaster is of such magnitude that it cannot be met by the resources of the area involved, the Federal Government must step in. It is of equal importance, I believe, to point out that the Federal Government has a direct responsibility because it has failed to provide the necessary protection by means of an integrated, comprehensive water program. Jurisdictional disputes

and interagency differences have operated to delay realistic planning. The Missouri Basin States have not been blameless certainly in this respect and their substantial disagreement on plans and methods had further retarded constructive action. But I feel that the main responsibility lies with the Federal Government because in a program which must, of necessity, be as extensive as this and which crosses so many State lines, the initiative is properly a function of the Federal Government.

The Federal Government is still directly involved and responsible because of the failure of the Army engineers, an arm of the Federal Government, to provide adequate warning. This is a matter which has been of grave concern to me and for which I have received no adequate explanation. I have here a photostat of the Kansas City Times of that Black Friday, July 13, where a large box on the front page reads:

Central industrial district safe. There is no danger to the central industrial district on the Missouri side from the flooding Kaw River, Col. R. P. West, acting chief of the Kansas City district Army engineers, said early today.

(The photostat referred to was filed with the committee.)

I would also like to quote from a memorandum by R. M. Hatfield, Vice Chairman of the Munitions Board, based upon a personal plant inspection made on July 22. Speaking of the Sonken-Gallamba Corp., located in the central industrial area, and one of the most badly damaged defense plants visited, the memorandum stated:

Due to the confusion at the time the flood was threatening, practically no warning was given this company. As a result, several of their large furnaces had not been tapped and were full of molten metal when the flood waters hit, causing considerable damage to the furnaces.

As explained in the memorandum, this company produces brass and aluminum ingots and pig for most of our aluminum process manufacturers throughout the country.

Speaking of the Columbian Steel Tank Co., located on the Missouri side of the central industrial area, the memorandum stated:

We found that no warning was received by this company. The first knowledge they had that the flood was on its way was when a 4-foot wall of water broke into the plant, therefore practically all electrical equipment was damaged and loss in paper, records, and supplies was great.

Discussing the Gustin-Bacon Co., located directly across the street from the Columbian Steel Tank Co., and which produces precision equipment for the Navy, the memorandum states that this company—received 2 hours' flood warning which enabled them to disconnect almost all electric motors in the machine shop and move them to upper floors.

Concerning the General Motors plant in the Fairfax industrial district, the memorandum has this to say:

While they were given a few hours' warning, they were told to prepare for about 2 feet of water in the plant. As a result, preparedness measures taken by General Motors did not save the electrical equipment. * * * The 10 feet of water resulted in covering most of the electrical equipment.

I would like to quote also from a few of the letters which I have received stressing this same point. A letter from Mr. Gordon Leonard, president of the National Manufacturing Co. in Kansas City, Mo., said:

We feel very strongly that the Government is under not only a moral obligation but an actual legal liability for losses to movable property in the Kansas City area,

due to the fact that all Federal agencies in the Kansas City area not only gave no warning of the time or extent of the rise of the water, but issued repeated public assurances that no concern need be felt in the Kansas City area. In consequence, thousands of companies and individuals took no measures whatsoever to move their property to higher ground, which in most cases, could have been easily accomplished, since the geographical area flooded was a relatively small percentage of the municipal area. In our own case, if we had been notified as late as Thursday night that we might have the 18 feet of water at our front door which we actually received, we could have reduced our losses by more than one-half. * * * Our case is not an extreme one but rather a typical one and the fault for this lies squarely, I believe, on the shoulders of the Federal departments who are charged with the responsibility of predicting the time and extent of river rises and the Department of Engineers who issued repeated statements that there was no cause for alarm.

Another letter from Mr. Delmar Lofsted of Kansas City, Mo., stated:

Fortunately my family suffered no losses and only a little inconvenience during the recent flood disaster which struck Kansas City. However, many were not so fortunate. In view of the fact that assurances were given by Army Engineers that the area was in no danger, I believe that the Federal Government carries a burden of obligation to those whose homes and businesses were destroyed. While the Government should not support every fanciful do-gooder scheme advanced, I believe this is an area in which the Federal Government alone can function in a satisfactory manner.

Still another letter I received came from Mr. A. J. Suiter, president of the United States Supply Co. in Kansas City, Mo. Mr. Suiter said:

As late as 9:30 in the morning on Friday, July 13, I talked with the office of the United States Engineers and was assured that the district was in no danger and was asked to call back at 11:30 to get a later river report. Either the United States Weather Bureau or the United States Engineers (and both are public servants if you please, of the taxpayers of this country) were negligent in their duty or totally inadequate in their ability to handle this great problem. Five hours warning would have saved my company hundreds of thousands of dollars and, furthermore, when the warning was finally given, had the residents of the central industrial district been told that the water would in all probability exceed the great flood of 1903, the few hours we had would have been far more valuable.

The thousands of families who lived in the area received no more warning than did business and industrial plants. While of course they would have been powerless to save their homes against the ravaging floodwaters even with ample warning, they might have been able to salvage a few of their personal possessions.

Whatever the reasons may have been, Mr. Chairman, for failure to give adequate warning, the fact remains that many thousands of individuals and businesses were left wholly unprepared and suffered terrific and overwhelming loss.

INDEMNITY PROGRAM ONLY FAIR SOLUTION

Mr. Chairman, the loan program provided in the measure approved by the House will undoubtedly contribute in a large measure to rehabilitation of the area but it is only part of the answer. Of an additional \$5 million for the disaster relief fund also approved by the House, more than \$1 million is needed to meet requests now pending. The balance cannot meet rehabilitation needs because, under the law, the disaster fund is for emergency activities—for providing food, shelter, clothing and medical supplies and for restoring transportation and communication facilities. An indemnity program, therefore, though it would in many cases reimburse these people for only a small

fraction of their total losses, is the only fair and the only possible solution. It is, in fact, the only decent and the only American solution.

Mr. Chairman, I do not intend to belabor this point and I will try not to take up too much of the committee's time. But as I am sure you know, this is something that I have been living with, day in and day out, for months. I was in the flood area during the height of the flood and saw at first hand the devastation it had caused. I saw the first impact of numbness and shock on the people throughout the area after their desperate efforts to sandbag and hold back the rushing waters. I walked through the debris and saw mile upon mile and acre upon acre of destruction. I was enormously impressed by the magnificent spirit and courage of the people who had lost all their possessions, seen their homes swept away, their families separated, the fruits of their long years of toil ruined, and their hopes and dreams of security shattered. When I revisited the area almost 2 months later, they were still digging out of the debris and their spirit was still remarkable. The people are doing everything possible to help themselves. They are not sitting back and waiting for the Government to come along and bail them out. But they are asking for some help, for partial indemnity, because the enormity of their loss is such that it far exceeds individual ability or facilities to repair. My office has been deluged with mail from citizens who are looking to us for a helping hand. So important is this matter and of such deep concern to me that I must ask the indulgence of this committee in order to read to you a few more quotes from some of the thousands of letters which I have received. These letters are from individuals—from average citizens—American citizens. This is one, for example:

I am writing in behalf of the flood victims in Kansas City who are now homeless and destitute and for the most part out of work for the present. I do not live in the flooded area, but I cannot help but feel that our Government is letting these helpless victims down. Can't something be done to make Government grants to these victims of circumstance? These Americans are most certainly entitled to aid and I do not mean in the form of loans with interest. Surely, in the name of common decency our Government could shear off a bit there and there and make it possible to find enough money to help these people out of this horrible dilemma.

Another citizen writes:

The rehabilitation of our own people, many of whom are financially ruined, homeless, and without clothing or shelter, certainly should come first. Aren't we letting them down? These people are paying huge taxes to Uncle Sam—why can't Uncle Sam now take the matter in hand and do something for them? The situation is appalling and I do hope that our lawmakers will realize the urgent need and do something about it.

Another letter says:

I am looking to you to be a strong voice in the cry for the help that is so urgently needed—and for people who are so very worthy. To be washed out of your home and ruined overnight is certainly a horrible catastrophe—and these unfortunate victims must be helped. Surely we don't intend to just say "too bad" and drop the matter. Let's have the dams, the reservoirs—and the Government grants for those who need rehabilitation. These Americans, mostly of the great middle class, the very backbone of our country, need help and must have it.

The following was written by still another victim of the flood:

I am taking this opportunity to try to explain my grievances regarding the losses and damage to my home caused by the flooding Missouri. I feel the time has come when something should be done to reimburse us for our losses are getting greater and the flood worse and more often than ever. I have lived in this

Missouri River bottom for 51 years, moving here with my father in 1901 when I was 8 years old, and our first flood was in 1903. I am a widow all alone, with an aged mother of 89 to care for, and no one wants to hire someone of my age. Although I do housework at a small pay, we can exist but have no money for repairs or to replace our losses.

Another letter says:

There are many hundreds of small-business men, working people, and farmers who would be bankrupt if some assistance were not given to them in reestablishing their homes and business by an outright grant of funds. Our country has given many billions of dollars to other peoples in aid. We could not, in good conscience, stand by and see our own people ravaged by this terrible catastrophe, without extending to them the same helping hand we have extended to others.

Another citizen has this to say:

We know that you know more about the subject than we do, but we felt that some relief should be given (grant aid) to the: (1) Home owner who lost his home; (2) the business man whose business was flooded; (3) the farmer whose farm was devastated. We certainly hope that enough of the lawmakers in other sections of the country will join with the lawmakers in the Middle West to work out some relief legislation especially for little people, who have suffered the most.

From another letter I quote the following:

The pictures and write-ups only partially tell the story * * * no one can actually realize the suffering and privation of the thousands of individuals—as well as the great financial loss caused by the disaster—unless you actually visualize the damaged area. The people are now “digging in” in an effort to reconstruct their homes, their businesses, and their communities, but they need help desperately. Immediate action should be taken to help these people, many of whom had homes, farms, and small businesses in the lowlands of Kansas and Missouri that were completely wiped out.

Still another letter says:

We, as a nation, spend and give billions of dollars each year to people of other countries so it would seem very appropriate that the people of our own country be given protection and help, especially since the Government agencies erred in giving assurance that the flood “would not happen.” It is all quite tragic—so please do something to (1) see that immediate relief is provided for those whose homes and businesses were wiped out or suffered severe losses. (2) See that immediate steps are taken to see that this disaster is not repeated.

Mr. Chairman, you have been good enough to let me take time to give graphic illustrations of how our citizens feel about this matter. Now as to the basic governmental principle upon which indemnity can be provided, I have a few remarks.

Our friends in the House have characterized the proposal to provide indemnification for flood victims as a major departure from the present concept of government and they ask us to delay action until there can be a more extensive study than is now possible. Gentlemen, this matter cannot wait. These people need help now.

I respectfully suggest, moreover, that there have been precedents as I mentioned earlier in this statement. In any case, I submit that we cannot shrink from making new precedents or taking new steps. That we recognize an obligation to take care of the flood sufferers in some adequate manner and that we act to assist our people seems to me to be a mark of maturity and a sign of high civilization.

Mr. Chairman, we are not savages nor backwoodsmen. We are the national policy-making body of the most powerful nation in the world. Let's acknowledge and meet our responsibility realistically.

Chairman McKellar. Senator Schoeppel, do you have a statement to make at this time?

FLOOD REHABILITATION IN KANSAS

STATEMENT OF HON. ANDREW F. SCHOEPPPEL, A UNITED STATES
SENATOR FROM THE STATE OF KANSAS

Senator SCHOEPPPEL. Thank you, Mr. Chairman. My colleague, Senator Carlson and I have discussed the situation here, and we are grateful, of course, for the opportunity to be present here, and hear these presentations which I think are going to be most helpful.

I shall avoid reciting to this committee the impact which this devastating flood had upon my State. Your records are quite complete on all of these phases, and much of this has been covered by Mr. A. E. Howse in his written reports and his oral presentation today.

When I realize, as I know each of you do, that we have thousands of individuals as home owners who have lost their homes and everything in them; that we have thousands of businesses which are a complete loss or damaged to the extent that even at this date the owners are unable to completely rehabilitate themselves; and that throughout the length and breadth of this devastated area there is fear and uncertainty in the hearts and minds of these people as to what the future holds for them, I can clearly see the justification and the reason for the President of the United States suggesting to the Congress with the approval of the Bureau of the Budget the program that has been outlined involving \$400 million.

The House committee in its wisdom has seen fit to eliminate for consideration certain phases of the President's recommendations, with which the members of this committee are familiar. I regret that the House committee and the House action curtailed this aid, assistance and relief as drastically as it did.

NEED FOR FLOOD INSURANCE

I feel that there is a definite positive need for flood insurance comprehensive enough to encompass the entire country, and, I realize, of course that there are many technical and complicated details which must be worked out, and, as has been pointed out before this committee, we did approach this in World War II in a way in a war risk insurance. Whether this should be handled as a separate legislative matter is something that, I am sure, is giving this committee some concern. In any event, whether it is handled in this measure or not, it should be before the Congress for consideration, and I was glad to join with my colleague, Frank Carlson, in introducing a bill that does provide an opportunity and an avenue to explore this matter, and I hope that something workable and constructive can be recommended to the Congress for passage.

In listening to the testimony of Raymond Foley, I was impressed with the statement that he made to the effect that the Housing and Home Finance Agency and its attendant agencies did not suffer a severe loss of their insurable or guaranteed loans on properties within the devastated areas. I believe his testimony disclosed that only between 400 and 500 units were involved and this was due to the fact that a studied effort was made to provide aid and assistance under the various programs to persons owning property that was built outside of the known flood areas as much as possible or practical. I cannot too seriously object to Mr. Foley's position. I think it is sound

financially and along good accredited business lines. But what about the thousands of people who have heretofore had homes in the flood area—many under mortgages to building and loan associations, private individuals, trust companies and banks—and who now find themselves without homes or personal effects and without the opportunity to rebuild with Federal assistance within the areas covered by the recent disastrous flood, even though we are endeavoring to develop great flood protection programs in these valleys.

EXTENT OF FLOOD DAMAGE

According to reliable information, there were approximately 19,000 families in the State of Kansas made homeless by these floods. There were 20,248 farms comprising 2,886,275 acres damaged by the floods. I want to point out that there are thousands of individuals who fall into a class that has neither real nor personal property left upon which private lending agencies or, as we are now to assume, public agencies will help aid or assist unless we have some provision established by law to provide grants-in-aid which this measure, as originally recommended by the President, sought to provide.

I have received information from the chairman of the Kansas City Flood Relief and Rehabilitation Committee to the effect that the total number of homes destroyed or severely damaged in the five-State area, comprising Missouri, Kansas, Arkansas, Oklahoma, and Illinois is 25,295 and that the homes affected in Kansas total 22,142; that the total tenant-occupied homes destroyed or badly damaged is 43.2 percent in the entire area and 9,442 of these are in the Kansas area. Reports from this committee further indicate that homes in this devastated area occupied by people 65 years of age or over are a fraction over 16.2 percent totaling 4,340 in the five-State area and 3,545 within the State of Kansas. The tenant-occupied homes of people 65 or over totals 1,585 within the State of Kansas.

I bring these matters to the attention of the committee because here is a class of people in which many are beyond the productive period or capacity in life and many of them have completely lost everything they owned and have hanging over their heads contractual indebtedness that they can see no way to dig out from under without some definite aid. While I realize that the Red Cross and the RFC, where financial conditions warranted, have been most helpful in emergency aid and relief, yet here is a class of individuals who through no fault of their own and because of this disaster have very little if anything to look forward to unless some provision is made for them by grants.

I would not want to advocate before this committee the indiscriminate granting of public moneys as outright grants, but I feel that it is a tragic mistake to so restrict this legislation or appropriation so as to eliminate completely any consideration for the giving of grants in the worthy cases when properly investigated and properly screened by the necessary agencies which can fairly and equitably establish such a need. Therefore, I feel that there is a vital need for this committee considering and providing funds of millions of dollars to cover this group of unfortunates who were caught in these devastated areas.

I cannot help but recall that this Congress and the American people have been most generous in providing not hundreds of millions but

billions of dollars for aid and relief to other nations over the world. Hundreds of millions of dollars have flowed out from the shores of America through the taxpayers of America under legislation giving outright aid, grants and relief to peoples—many of them less worthy by reason of present circumstances than those within our shores and within these devastated areas.

I feel that Mr. Howse has presented to this committee the need and the necessity for some practical consideration to be given by way of appropriations to cover outright grants.

It is my understanding that the governors of the respective States affected and that practically all of the heads of the Federal agencies involved have approved in the main the recommendations and suggestions made by the President to the Congress for consideration for relief, aid and assistance within these areas.

I realize there are those in Congress from other States that have suffered within their areas some devastating floods and disasters to a much lesser degree in area than that suffered by the five States referred to by the President, and I can have no serious disagreement with many of them who honestly can insist that the legislation or moneys appropriable should have wider application than the five States referred to herein. That does present one of the problems that I am sure you will have before you, and in closing I want to say that it is my firm belief from all the information which I have had presented to me that the individual States or local subdivisions cannot meet the need—it is too great, and because of the scope, the magnitude of the disastrous effects it amounts to a national disaster. I feel that rehabilitation along some practical generous lines under proper investigation and screening is necessary in furtherance of the great defense effort that we find ourselves in and that we should face it realistically and provide funds as quickly as possible—to unduly delay it, would, in my opinion, be disastrous and I am hopeful that this committee will provide adequate funds as quickly as possible.

Chairman McKELLAR. Senator Carlson, do you wish to make a statement?

Senator CARLSON. Thank you, Mr. Chairman.

STATEMENT OF HON. FRANK CARLSON, A UNITED STATES SENATOR FROM THE STATE OF KANSAS

Senator CARLSON. I appreciate the opportunity of appearing before the Appropriations Committee in regard to provisions of the joint resolution making appropriations for rehabilitation of flood-stricken areas for the fiscal year 1952 and other purposes.

First, I want to express my sincere thanks and appreciation to Col. A. E. Howse, who has worked tirelessly in behalf of our citizens who suffered such disastrous losses.

May I also extend my sincere thanks to Mr. Foley of the Federal Housing Administration, who was appointed Coordinator by the President for working out an arrangement with other Federal agencies, such as the Department of Agriculture, Veterans' Administration, the Reconstruction Finance Corporation, the Federal Housing Administration and other agencies which were helpful to the area.

There has been splendid cooperation among the Federal agencies, the State administrations and the municipalities and other governmental units.

Testimony has been presented to the committee in regard to the estimated losses suffered by citizens in the flooded areas, therefore, I will not dwell on that point.

It should be stated, however, that in dollar loss, this was one of the greatest tragedies that ever visited our Nation. Estimates now run as high as \$2 billion. These losses are so great that they cannot be borne by the citizens themselves and local agencies, but must have outside aid.

WORK OF RED CROSS

The American Red Cross has rendered outstanding service and spent over \$7 million for relief of citizens in the affected areas. Within the next few weeks, or possibly days, the Red Cross expects to withdraw from that field. When they do, thousands of our citizens who lost their homes and belongings will be confronted with a real problem. It is one that becomes more than local. The Red Cross reports some 25,000 applications for assistance on file from 77 flood-damaged counties—8,000 are in Wyandotte County or Kansas City, Kans.

House Joint Resolution 341 provides for appropriations for lending money to farmers and other businessmen who have suffered serious losses in the area.

INADEQUACY OF AMOUNT FOR RELIEF

One section of the bill provides for \$5 million additional to the \$25 million relief fund for aiding governmental units, and is, in my opinion, wholly inadequate.

From reports I have received from the area, this fund should be increased by at least another \$25 million.

Even with this aid we are confronted with a very difficult problem in the disaster areas. Tens of thousands of our citizens who have had the assistance of the Red Cross and have lost all of their possessions are in dire need. It is for that reason that I urge the committee to add an additional item of direct grants to these people.

I am not unmindful of the problem that confronts Congress in providing for these direct grants, however, I feel we must keep in mind that the Red Cross spent over \$7 million in these areas. Certainly some provision must be made to further assist these people in getting rehabilitated. It is the humanitarian thing to do.

Should the committee not deem it advisable to vote funds for direct grants, as requested by the President and Colonel Howse, representing the Office of Defense Administration, I would urge that the committee give serious consideration to appropriating a sum of money that could be used through the Departments of Social Welfare in the States affected.

Since the House action on House Joint Resolution 341, I have conferred with Dr. Arthur J. Altmeyer of the Federal Security Administration, and officials in the State board of social welfare, regarding an appropriation of \$5 million to be used by these agencies.

ADMINISTRATION OF FUNDS

My information is that the existing State boards of social welfare, in cooperation with the Federal Government and the local agencies

can administer these funds through general assistance programs. I am, therefore, submitting the following amendment to the committee:

AMENDMENT

Intended to be proposed by Mr. Carlson to the joint resolution (H. J. Res. 341) making appropriations for rehabilitation of flood-stricken areas for the fiscal year 1952, and for other purposes, viz:

On page 3, line 5, strike out "\$5,000,000" and insert in lieu thereof "\$10,000,000, of which \$3,000,000 shall be available for expenditure by the President under the act of September 30, 1950 (Public Law 875, 81st Cong.) and through such Federal agency as he may designate for the purpose of making grants to States to enable such States, acting through their public welfare agencies, to furnish public assistance to families whose need for such assistance has been caused or aggravated by the floods occurring in the midwestern portion of the Nation in July 1951: *Provided*, That no such grant shall be made to any State unless the President determines that the State and the local governments within such State are making an appropriate effort, consistent with their available resources, to cope with public-assistance requirements resulting from such floods."

In order that the committee might have additional information on the need for these funds, I am including a letter that I received from Blake A. Williamson, vice chairman of the State Board of Social Welfare of Kansas.

In this letter Mr. Williamson stresses the extreme need for these additional funds.

The need in the area is so great that I do plead with the committee to give every consideration to my suggestion if they deem it inadvisable to accept the recommendations of Colonel Howse and other representatives who have spoken in favor of direct grants.

The letter is as follows:

STATE DEPARTMENT OF SOCIAL WELFARE OF KANSAS,
Topeka, Kans., October 5, 1951.

SENATOR FRANK CARLSON,
Senate Office Building, Washington, D. C.

DEAR SENATOR CARLSON: Confirming our conversation with you by phone this morning, we would like to request that you use your good efforts to obtain a direct appropriation for the State of Kansas to be used, on a 100-percent grant basis, for flood victims who we anticipate will be on the public-assistance rolls in the very near future.

We are unable at this time to give you a complete picture so far as the welfare rolls are concerned as to how extensive our demands will really be, but let us use Wyandotte County as an example.

You had the opportunity, when you were back to the flood meeting, to see the Armourdale and Argentine districts in Kansas City, Kans., and the terrible devastation that was left as a result of the July flood. We are advised by the Wyandotte County welfare office that they had 537 families who were on the welfare rolls in various categories who lost their homes as a result of the flood. Approximately 350 of these families were renting their homes and the rental which was paid under the welfare grants averaged between \$10 and \$15 per month. There are no other areas in Kansas City, Kans., where cheap rental property can be obtained, and those who are fortunate enough to be able to find other homes are now being required to pay an average of about \$35 per month. You can see the rental item alone is going to be quite an item.

In addition to that, many of those families lost all of their clothing, furniture, and anything else that they had of any value.

There is another class of cases which are termed as border-line cases—people who were able by running rooming houses or having small shops, such as shoe-shops, repair or fixit shops, etc., who were able to support themselves. In a great many instances those homes and businesses were wiped out, and the area is not being rebuilt; and they have not been able to reestablish themselves.

The Red Cross, up to the present time, has been taking care of a large number of those cases, and we saw a report recently where the Red Cross has expended in excess of \$2 million in Wyandotte County alone in this form of assistance.

The news stories now indicate the Red Cross will have completed its program in Wyandotte County in about 30 days. It is also indicated the clean-up work, where Federal funds have been used, will be finished in about 30 days. A great many people who have been engaged in that type of work lost their jobs due to the fact that industries were wiped out, and will have no place to go except to the county welfare department to obtain general assistance.

The State board of social welfare had planned to put into effect, effective January 1, a realistic adjustment of public assistance food standards to meet present-day food prices. This we feel is absolutely necessary because there have been no adjustments in food standards in the State of Kansas since 1946, and it is almost impossible, under present-day prices, for a person to live on approximately \$20 per month for food.

In the event that we are not able to obtain a direct grant for those that we definitely feel will be on public assistance this winter, the State of Kansas will have to use the money that it had planned to use to adjust food standards to take care of the increased case load that we know will arise in those counties that were affected by the flood. This will mean that public assistance eligibles all over the State, who are entitled to an adjustment of food standards, will suffer because of the fact that the necessary money will have to be used for flood victims.

We do not feel that an allocation of funds on a matching basis will be of any particular value to the State of Kansas because of the fact that the Federal Government does not participate in our general assistance program. That is supported solely by the State and counties on a 50 percent basis. Many of the counties that were hard hit by the flood are already levying the full amount that they can levy for welfare purposes, and the present budgets and the amount of money that these counties will have will not be sufficient to take over this increased case load.

We hope, but have some doubts, in view of the action of the House of Representatives on the recent appropriation bill, that you will be able to obtain an amendment that would authorize an amount of say \$3 million, or so much of that amount as is needed, as a direct grant to be used for flood victims in distressed counties who will now be required to go on the general assistance rolls.

It is our opinion that a great majority of the cases will become public assistance clients, and the money would be used exclusively for that type of case in Kansas. The program would be administered, as it is now, by the local counties under the supervision of the State. If the Federal Government participated, that would mean we would have to revise our State manual, and new rules and regulations would have to be adopted subject to the approval of the Federal Government; and it is our thought that that would raise too many complications to effectively do the job that should be done.

We have discussed this matter with the Governor, and he is in accord with the views expressed herein.

Very sincerely yours,

BLAKE A. WILLIAMSON,
Vice Chairman.

Chairman McKELLAR. I have received a letter from Mr. William Green, president of the American Federation of Labor, urging help for the victims of the flood disaster. I will insert the letter in the record at this point.

(The letter referred to is as follows:)

AMERICAN FEDERATION OF LABOR,
Washington 1, D. C., October 11, 1951.

HON. KENNETH McKELLAR,
*Chairman, Senate Committee on Appropriations,
Senate Office Building, Washington, D. C.*

MY DEAR SENATOR: The American Federation of Labor is greatly concerned with the immediate necessity of doing everything possible to rehabilitate the victims of the recent flood disaster. The flood inundated large areas in Kansas, Missouri, Oklahoma, and Illinois. It resulted in a loss of \$2½ billion and either partially or completely destroyed 45,000 farm and city homes.

The members of organized labor and other organizations in the flood area are doing a tremendous job in helping to relieve the suffering caused by the flood, and the subsequent tremendous task of rehabilitation. However, it is far short of the financial aid needed to provide adequate relief to the thousands of destitute families.

We appreciate the concern which the Congress has shown in considering aid for these areas. However, we believe that not enough consideration has been given to the fact that the victims of this disaster area are in no way responsible for it. Indeed, the A. F. of L. believes that to some degree the responsibility rests on past failures to carry out effective flood-control measures.

The type of aid provided for in House Joint Resolution 341 as passed by the House is primarily in the form of loans for farmers, home owners, and business organizations whose property was damaged by the flood. We believe that while such loans may be sufficient in some instances, provision should also be made for outright grants to those whose property has been damaged by the flood. The original proposals for flood relief included authorization of indemnification of flood victims for physical loss of or damage to tangible real or personal property up to 80 percent of the amount of such loss, provided that the amount to be paid any one person submitting such a claim does not exceed \$20,000. We regret very much that no such provision was retained in the resolution as passed by the House. The complete reliance on long-term loans will have the very serious effect of mortgaging for many years to come the incomes of flood victims to the detriment of the welfare of themselves and their families.

We respectfully urge, therefore, that your committee give careful consideration to the possibility of including a provision for undemnification of flood victims with outright grants where mere loans might not be adequate.

Kindly have this letter made a part of the record of the hearings on Senate Joint Resolution 341.

Very truly yours,

WM. GREEN,
President, American Federation of Labor.

Chairman McKELLAR. If there is nothing further to come before the committee I want to tell all of you gentlemen that we are very much obliged to you for coming, and we want to thank you for the information you have given the committee.

If there is nothing further the committee will adjourn at this time.

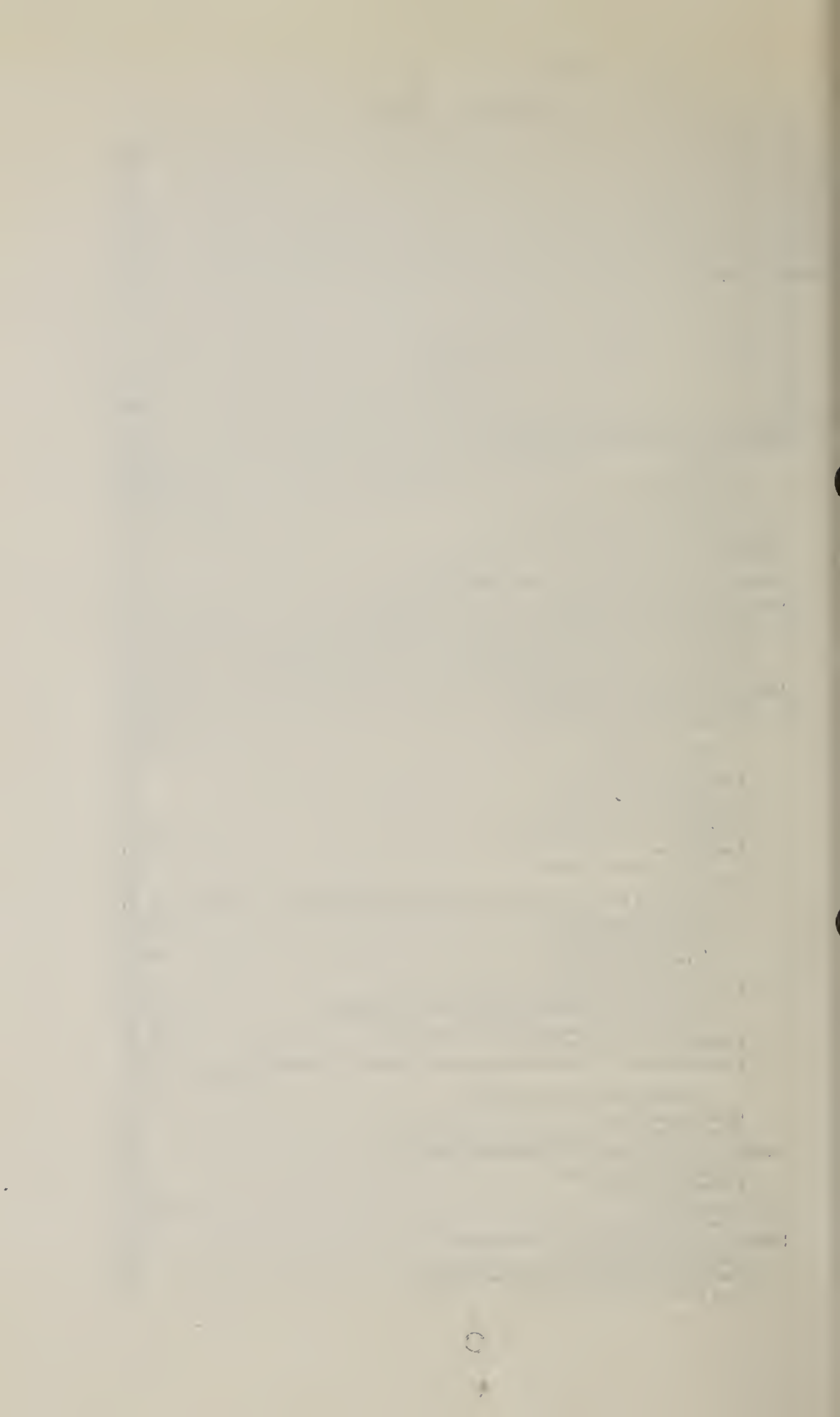
(Whereupon, at 5:45 p. m., Wednesday, October 10, 1951, the committee adjourned.)

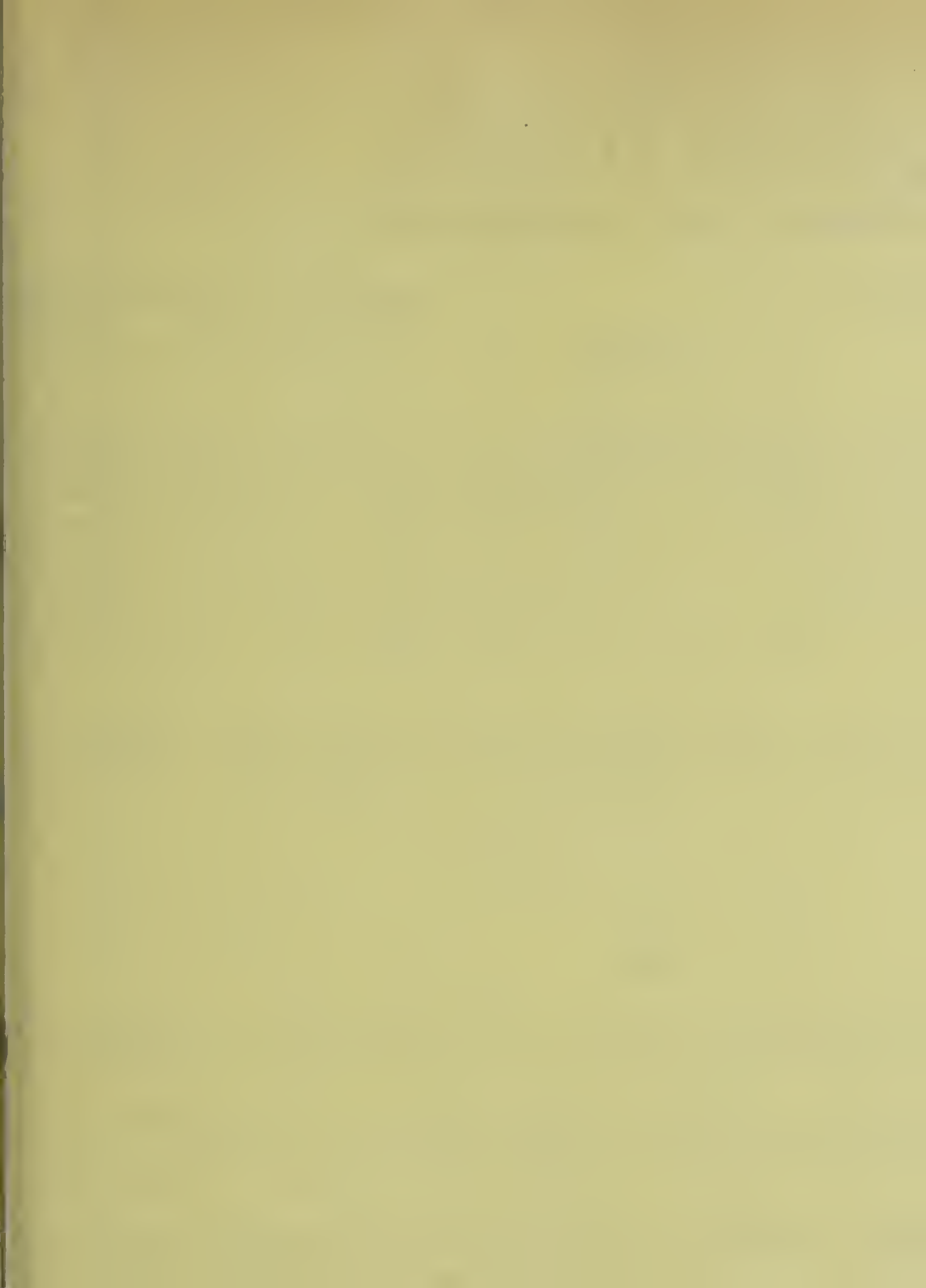
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Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued Oct. 17, 1951

For actions of Oct. 16, 1951

82nd-1st, No. 194

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HIGHLIGHTS: House rejected conference report on tax bill. Senate committee reported appropriation measures for flood relief and foreign aid.

HOUSE

1. TAXATION. Rejected, 157-204, the conference report on H. R. 4473, the tax bill, and House conferees were appointed for a further conference (pp. 13537-50).
2. RECORDS MANAGEMENT. Passed without amendment S. 1967, repealing various laws relating to Government records (pp. 13571-2). This bill will now be sent to the President.
3. PROPERTY MANAGEMENT. Passed as reported S. 1952, to repeal various laws relating to Government property (pp. 13573-5).
4. LAND TRANSFER. Passed without amendment S. 752, authorizing this Department to convey to the Maryland-National Capital Park and Planning Commission a tract of land formerly used as the Bethesda animal disease station (p. 13571). This bill will now be sent to the President.
5. FLOOD CONTROL. Received the conference report on H. R. 4386, the Army civil functions appropriation bill, which includes flood-control items (pp. 13576-8).
6. ELECTRIFICATION. The Public Works Committee reported without amendment S. 97, to authorize hydroelectric-power facilities at the Cheatham Dam on the Cumberland River, Tenn. (H. Rept. 1188)(p. 13586).
7. RECLAMATION. The Interior and Insular Affairs Committee reported with amendment H. R. 5097, to extend the time during which the Interior Department may enter into amendatory repayment contracts under the Federal reclamation laws (H. Rept.

1191)(p. 13586).

8. SEA-WATER RESEARCH. The Engle subcommittee approved, for reporting to the full Interior and Insular Affairs Committee, H. R. 5735, a revised bill to provide for research in methods for the economical production of water suitable for agricultural, industrial, and other uses, from sea or other saline waters (p. D980).
9. CITIZENSHIP DAY. Passed, as reported earlier in the day, H. J. Res. 314, designating Sept. 17 of each year as Citizenship Day, calling for the display of the flag on Government buildings on that day and for appropriate ceremonies, and repealing the law which provides for "I Am an American Day" (pp. 13580-1, 13586).
10. CREDIT CONTROLS. Rep. Tackett, Tex., criticized the administration of credit controls by the Federal Reserve Board (pp. 13583-5).
11. EXPENDITURES. Rep. Hoffman, Mich., spoke in favor of reduction in Government expenditures (p. 13583).
12. PAY INCREASE. Majority Leader McCormack said, "I understand that the conferees have agreed on the Federal pay increase bill, but that will not be ready until tomorrow, and that will come up some day later in the week" (p. 13575).
13. PARCEL POST. Received the conference report on S. 1335, to readjust the size and weight limits on parcel post (p. 13537).

SENATE

14. FLOOD RELIEF. The Appropriations Committee reported without amendment H. J. Res. 341, making appropriations for rehabilitation of flood-stricken areas for the fiscal year 1952 (S. Rept. 961) (p. 13509). This bill was made the unfinished business (pp. 13535-6). The "Daily Digest" states: "As approved by the committee, it would appropriate \$57,440,000 in direct appropriations, and increase limits on RFC disaster loans from \$40 million to \$100 million." (p. D978).
15. FOREIGN AID. The Appropriations Committee reported with amendments H. R. 5684, the foreign aid appropriation bill (S. Rept. 960) (p. 13509). Sen. McFarland announced that this will be the next bill taken up after disposition of the flood-relief bill has been made (p. 13536). The "Daily Digest" states: "As approved by the committee, the bill would appropriate approximately \$7,208,401,000. The committee approved the House-passed figures in both military assistance (divided into four titles) and economic assistance (divided into four titles), after decreasing each item by 5 percent and then adding \$100 million for assistance to Spain. As approved by the House, the bill would appropriate \$7,482,527,790. Budget estimates considered total \$7,527,527,790." (p. D978).
16. NOMINATION. The Foreign Relations Committee reported favorably on the nomination of W. Averill Harriman to be Director for Mutual Security (p. 13536).
17. FLAG DISPLAY. The Judiciary Committee reported with amendments S. 2039, to prohibit the display of the United Nations or any other national or international flag in place of or in a position equal or superior to that of the flag of the U. S. (S. Rept. 1019) (p. 13510).
18. PATENTS. The Judiciary Committee reported without amendment H. R. 4687, to provide for the withholding of certain patents that might be detrimental to national security (S. Rept. 1001) (p. 13510).



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 82^d CONGRESS, FIRST SESSION

Vol. 97

WASHINGTON, TUESDAY, OCTOBER 16, 1951

No. 194

Senate

(Legislative day of Monday, October 1, 1951)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O God, the might of them that put their trust in Thee, amid all the subtle dangers that beset us save us from the fatal folly of attempting to rely upon our own strength. In a world so uncertain about many things we are sure of no light but Thine, no refuge but in Thee. The din of words, freighted with malice and suspicion and threatened aggression, assails our ears. Grant us an inner calm, undisturbed by any outward commotion. We beseech Thee, give us courage to seek the truth honestly and the reverence to follow humbly the kindly light that leads us on. Thou hast created us to be Thy temples. May the holy places of our inner lives harbor nothing unworthy of our high calling in Thee. We ask it in the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. McFARLAND, and by unanimous consent, the reading of the Journal of the proceedings of Monday, October 15, 1951, was dispensed with.

MESSAGES FROM THE PRESIDENT— APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on October 15, 1951, the President had approved and signed the act (S. 1464) for the relief of Peter Therkelsen Kirwan and Ernest O'Gorman Kirwan.

LEAVES OF ABSENCE

On request of Mr. McFARLAND, and by unanimous consent, Mr. CLEMENTS was excused from attending the sessions of the Senate for the remainder of this week.

On request of Mr. McFARLAND, and by unanimous consent, Mr. RUSSELL was excused from attendance on the session of the Senate today.

APPOINTMENT OF COMMITTEE TO DISCUSS PROBLEMS WITH THE CON- SULTATIVE ASSEMBLY OF THE COUN- CIL OF EUROPE

The VICE PRESIDENT. The Chair wishes to announce some appointments under Senate Resolution 215, authorizing the Chair to appoint seven Members of the Senate to visit Europe and attend, in a consultative capacity, the Council of Europe. The Chair is not ready to announce the entire seven, but he wishes to announce a portion of the committee which he will select. The Senator from Rhode Island [Mr. GREEN] will be chairman. The Chair also appoints the Senator from Connecticut [Mr. McMAHON], the Senator from Wisconsin [Mr. WILEY], and the Senator from Minnesota [Mr. HUMPHREY]. The Chair will announce the other appointments later.

PAYMENT OF CLAIMS ARISING FROM CORRECTION OF MILITARY OR NAVAL RECORDS—WITHDRAWAL OF MOTION TO RECONSIDER

Mr. CAPEHART. Mr. President, I should like to withdraw the motion I entered yesterday to reconsider the vote by which House bill 1181 was passed. I ask unanimous consent that I may withdraw the entry of that motion.

The VICE PRESIDENT. Without objection, it is so ordered.

TRANSACTION OF ROUTINE BUSINESS

Mr. McFARLAND. Mr. President, I ask unanimous consent that Senators be permitted to introduce bills and joint resolutions, present petitions and memorials, and transact routine business, without debate and without speeches.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT ON SETTLEMENT OF CLAIMS FOR DAM- AGE CAUSED BY NAVAL VESSELS

A letter from the Acting Secretary of the Navy, transmitting, pursuant to law, a report

on the settlement of claims for damage caused by naval vessels, for the fiscal year ended June 30, 1951 (with an accompanying report); to the Committee on Armed Services.

REPORT ON SETTLEMENT OF CLAIMS FOR DAM- AGE CAUSED TO NAVY DEPARTMENT PROPERTY

A letter from the Acting Secretary of the Navy, transmitting, pursuant to law, a report on the settlement of claims for damage caused to Navy Department property, for the fiscal year ended June 30, 1951 (with an accompanying report); to the Committee on Armed Services.

REPORT ON ADMINISTRATION OF ADVANCE PLANNING PROGRAM

A letter from the Administrator, Housing and Home Finance Agency, transmitting, pursuant to law, a report on the administration of the advance planning program, dated June 30, 1951 (with an accompanying report); to the Committee on Public Works.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. STENNIS, from the Committee on Armed Services:

S. 1912. A bill to provide for conveyance of certain land to the city of New Orleans; with an amendment (Rept. No. 959).

By Mr. McKELLAR, from the Committee on Appropriations:

H. R. 5684. A bill making appropriations for mutual security for the fiscal year ending June 30, 1952, and for other purposes; with amendments (Rept. No. 960); and

H. J. Res. 341. Joint resolution making appropriations for rehabilitation of flood-stricken areas for the fiscal year 1952, and for other purposes; without amendment (Rept. No. 961).

By Mr. McCARRAN, from the Committee on the Judiciary, without amendment:

S. 544. A bill for the relief of Joseph Rossabi, Corrine Rossabi, Mayer Rossabi, and Morris Rossabi (Rept. No. 964);

S. 560. A bill for the relief of Dr. Louis S. K. Yuan (Rept. No. 965);

S. 589. A bill for the relief of Sister Edeltrudis Sailer (Rept. No. 966);

S. 750. A bill for the relief of Edward Chikan Lam (Rept. No. 967);

S. 1045. A bill for the relief of the estate of Susie Lee Spencer (Rept. No. 968);

S. 1097. A bill for the relief of the estate of Carlos M. Cochran (Rept. No. 969);

S. 1359. A bill for the relief of Virgine Zartarian (also known as Vergin Zartarian) (Rept. No. 970);

S. 1560. A bill for the relief of Camilla Pintos (Rept. No. 971);
 S. 1620. A bill for the relief of Tory Lee Eakin (Rept. No. 972);
 S. 1636. A bill for the relief of Theodore Alexander Vlandy (Rept. No. 973);
 S. 1683. A bill for the relief of Carlos Tannoya (Rept. No. 974);
 S. 1925. A bill for the relief of Gregory Joseph Coles (Rept. No. 975);
 S. 1931. A bill for the relief of Joyce Jacquelyn Johnson (Rept. No. 976);
 S. 1980. A bill for the relief of Adelheid Wichman (now Adelheid Waitschies) (Rept. No. 977);
 S. 2160. A bill to authorize the Attorney General to admit persons committed by State courts to Federal penal and correctional institutions when facilities are available (Rept. No. 978);
 S. 2172. A bill for the relief of Miekio Takamine (Rept. No. 979);
 S. 2198. A bill to amend section 1708 of title 18, United States Code, relating to the theft or receipt of stolen mail matter generally (Rept. No. 980);
 S. 2228. A bill for the relief of William Elden Joslin (Rept. No. 981);
 S. 2271. A bill for the relief of Carol Ann Hutchins (Sybille Schubert) (Rept. No. 982);
 H. R. 596. A bill for the relief of the Alaska Juneau Gold Mining Co., of Juneau, Alaska (Rept. No. 983);
 H. R. 610. A bill for the relief of Dr. Stanislaus Garstka and Dr. Marthewan Garstka (Rept. No. 984);
 H. R. 658. A bill for the relief of Harold W. Britton (Rept. No. 985);
 H. R. 853. A bill for the relief of Maximilian Otto Ricker-Huetter and Mrs. Eugenia Ricker-Huetter (Rept. No. 986);
 H. R. 884. A bill for the relief of Johanna A. Stoots (Rept. No. 987);
 H. R. 980. A bill for the relief of Kikue Uchida (Rept. No. 988);
 H. R. 1457. A bill for the relief of Antranik Ayanian (Rept. No. 989);
 H. R. 1851. A bill for the relief of Ark Ping Jee Nong (Ngon) (Rept. No. 990);
 H. R. 2176. A bill for the relief of the Fort Pierce Port District (Rept. No. 991);
 H. R. 2290. A bill for the relief of Ralph Ambrose Thrall and Minnie Hazell Thrall (Rept. No. 992);
 H. R. 2506. A bill for the relief of Masunari Saito and Isao Saito (Rept. No. 993);
 H. R. 2547. A bill for the relief of Yoshiko Ito (Rept. No. 994);
 H. R. 2632. A bill providing for the permanent residence of Sisters Adalgisa Bellagamba, Maria Rina Montecchio, Anna Taricco, Maria Caterina Crevani, Elizabeth Baggio, Rosa Portale, Lorenzina D'Amico, Assunta Bonfiglio, Maria D'Amico, Lorenzina Scellato, Luigia Andreina Fratelli, Elena Montecchio, and Maria Bellesso (Rept. No. 995);
 H. R. 2791. A bill for the relief of Mr. and Mrs. Richard E. Deane (Rept. No. 996);
 H. R. 3281. A bill for the relief of Fanny Tshrintge Papan (Rept. No. 997);
 H. R. 4035. A bill for the relief of Donald I. Hamrock, Robert N. Jensch, Russell E. Ryan, and Helen P. Stewart (Rept. No. 998);
 H. R. 4181. A bill for the relief of Leroy Peebles (Rept. No. 999);
 H. R. 4567. A bill for the relief of Roy Sakai (Rept. No. 1000);
 H. R. 4922. A bill for the relief of Patricia Ann Eddings (Rept. No. 1002);
 H. R. 4929. A bill for the relief of Michael Bernard (Cervera) (Rept. No. 1003);
 H. R. 4940. A bill for the relief of Suzie Ballard (Rept. No. 1004);
 H. R. 4945. A bill to authorize the use of appropriations for refunding moneys erroneously received and covered for the refund of forfeited bail (Rept. No. 1005);

H. R. 4969. A bill for the relief of Susa Yukiko Thomason (Rept. No. 1006); and
 H. R. 5104. A bill for the relief of Mrs. Inge L. Cuetic (Rept. No. 1007).

By Mr. McCARRAN, from the Committee on the Judiciary, with an amendment:

S. 430. A bill for the relief of Mark G. Rushmann (Rept. No. 1008);

S. 465. A bill for the relief of Oswald A. Drica-Minieris (Rept. No. 1009);

S. 993. A bill for the relief of Robert Wendell Tadlock (Rept. No. 1010);

S. 1255. A bill for the relief of Leopold Kahn, Jr. (Rept. No. 1011);

S. 1709. A bill for the relief of certain disbursing officers of the Army of the United States, and for other purposes (Rept. No. 1012);

S. 1932. A bill to authorize the establishment of facilities necessary for the detention of aliens in the administration and enforcement of the immigration laws, and for other purposes (Rept. No. 1013);

S. 2041. A bill for the relief of Meiko Shindo (Rept. No. 1014);

S. 2054. A bill for the relief of Tomizo Naito (Rept. No. 1015);

S. 2119. A bill for the relief of Claudia Tanaka (Rept. No. 1016); and

S. 2165. A bill to prevent unauthorized acceptance or wearing of foreign decorations by officers of the United States (Rept. No. 1017).

By Mr. McCARRAN, from the Committee on the Judiciary, with amendments:

S. 1538. A bill for the relief of O. E. Hambleton (Rept. No. 1018);

S. 2039. A bill to prohibit the display of the flag of the United Nations or any other national or international flag in place of or in a position equal or superior to that of the flag of the United States, and for other purposes (Rept. No. 1019); and

H. R. 3899. A bill to amend certain titles of the United States Code, and for other purposes (Rept. No. 1020).

By Mr. McCARRAN, from the Committee on the Judiciary, without amendment:

H. R. 4930. A bill for the relief of Charles H. Craft (Rept. No. 1021).

By Mr. WILEY, from the Committee on the Judiciary, without amendment:

H. R. 4687. A bill to provide for the withholding of certain patents that might be detrimental to the national security, and for other purposes (Rept. No. 1001);

ANN ARBOR CONSTRUCTION CO.—REFERENCE OF S. 122 TO COURT OF CLAIMS

Mr. McCARRAN. Mr. President, from the Committee on the Judiciary, I report favorably an original resolution providing reference of the bill (S. 122) for the Ann Arbor Construction Co., to the Court of Claims, and I submit a report (No. 962) thereon.

The VICE PRESIDENT. The report will be received, and the resolution will be placed on the calendar.

The resolution (S. Res. 224) was placed on the calendar, as follows:

Resolved, That the bill (S. 122) for the relief of the Ann Arbor Construction Co., now pending in the Senate, together with all the accompanying papers, is hereby referred to the Court of Claims; and the court shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 28 of the United States Code and report to the Senate, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim, legal or equitable, against the United States and the amount, if any, legally or equitably due from the United States to the claimant.

BILLS INTRODUCED

Bills were introduced, read the first time and, by unanimous consent, the second time, and referred as follows:

By Mr. CHAVEZ:

S. 2276. A bill for the relief of Louis Rachid Habib; to the Committee on the Judiciary.

By Mr. McMAHON:

S. 2277. A bill for the relief of Nicholas J. and Elizabeth Miura; and

S. 2278. A bill for the relief of Michael Lemos and his wife, Katina Lemos; to the Committee on the Judiciary.

TERMINATION OF STATE OF WAR WITH GERMANY—AMENDMENT

Mr. LEHMAN. Mr. President, I submit an amendment intended to be proposed by me to the joint resolution (H. J. Res. 289) to terminate the state of war between the United States and the Government of Germany, to strike from the joint resolution as reported from the Committee on Foreign Relations, the committee amendment attached to that joint resolution. I ask unanimous consent that I may make a short statement in connection with the amendment.

The VICE PRESIDENT. The amendment will be received and printed and will lie on the table, and, without objection, the Senator from New York may proceed.

Mr. LEHMAN. Mr. President, this amendment is the so-called Wiley amendment, designed to open up to new adjudication certain cases of enemy property vested by the Alien Property Custodian and settled by agreement and stipulation.

My amendment would strike this rider—this extraneous and incredible rider—from the declaration of peace with Germany.

I hope the majority leadership will bring up this vital joint resolution bringing to an end the state of war with Germany. I hope the Senate will be given an opportunity affirmatively to strike this rider from the joint resolution, and thus permit the Halbach—I. G. Farben case, to be considered by the judiciary committee as a private bill, which it properly is. I might say at this point, on the basis of the facts in my possession, that I would certainly vote against such a bill. But in any event, such a proposal has no conceivable place in a joint resolution covering the highest exercise of legislative authority in the jurisdiction of Congress—a declaration of peace.

I hope this matter will come up before us so that we may have an opportunity to erase this shameful rider from the joint resolution and pass the resolution.

I ask unanimous consent to insert in the RECORD at this point an editorial from this morning's Washington Post and a column by Walter Winchell, both bearing on this subject.

There being no objection, the editorial and column were ordered to be printed in the RECORD, as follows:

MISCHIEVOUS RIDER

A most extraordinary—and, in our judgment, mischievous—rider has been tacked onto the House joint resolution ending the state of war between the United States and Germany. The rider, introduced by Senator

ter. Approximately \$21,000,000 of that sum has been spent. It is proposed now to spend the remainder under a different formula and a different system. That is what I have objected to in the bill.

So we have, first, the Hill-Burton Act; then \$35,000,000 was given to the District to be used in a certain way; now it is proposed to change that program and spend the remainder of it under a different formula.

Mr. FULBRIGHT. Mr. President, I gathered from the remarks of the Senator from South Dakota [Mr. CASE] that only a very small amount was involved—only \$300,000. Is that all the Senator thinks is involved in the pending bill?

Mr. CASE. About \$300,000, or a little less than \$300,000. My understanding is that the allocations under the Hill-Burton Act for the District of Columbia run about \$287,000 as of today. That is on an annual basis. We are not here increasing an authorization. The 1946 act, which is now the law, authorized appropriations up to \$35,000,000. That is the present law. What we are proposing by this amendment is to change the percentage which the Federal Government would put up, as against the percentage which the District government would put up.

Mr. FULBRIGHT. I merely wished to satisfy myself. I do not wish to treat the District of Columbia any worse than the States are treated. I was under the impression that, on a population basis, the District had been treated considerably better than other comparable population groups in the country. Is that true?

Mr. CASE. It is true in this respect, that the \$35,000,000 authorization passed in 1946 created something which was not created for the rest of the country. That authorization exists as of today, and is the present law.

Mr. FULBRIGHT. That is in addition to the Hill-Burton funds, is it not?

Mr. CASE. Yes.

Mr. FULBRIGHT. I did not think that was clear.

Mr. MAYBANK. Mr. President, as I understand, the bill would place District hospitals on a basis above any State hospitalization program under the Hill-Burton Act or other laws.

The District of Columbia collects taxes. It collects taxes from me. I am glad to pay them. I do not know what is done with the money. Garbage is collected only once a week in the District of Columbia. At home it is collected every day. I hardly ever see a policeman in the District of Columbia. I hope that some of the money which the District government collects in taxes can be used to provide hospitalization for the people of the District of Columbia. The Congress should not be used as an agency to increase the expenditures for hospitalization in the District of Columbia, when every State in the Union is suffering from lack of hospital facilities.

Mr. JOHNSTON of South Carolina. Mr. President, a great deal has been said in regard to this bill. The bill does not affect the Hill-Burton Act. Last year the District of Columbia received \$276,000 under the Hill-Burton Act.

Then another bill was passed for the benefit of the District, establishing a fund of \$35,000,000 for the Hospital Center. Up to the present time approximately \$21,000,000 of that amount has been spent. Now it is proposed to set up another system, and to spend the remainder of that money under a different formula. That is the question which is before the Senate. I disapprove of the way the money is being rationed out, so to speak. We are setting a bad precedent. If we set up a different system from the one we have had heretofore, the States will be here asking for the same consideration.

The VICE PRESIDENT. The question is on agreeing to the amendments offered by the Senator from South Dakota [Mr. CASE], which are being considered en bloc.

The amendments were agreed to.

The VICE PRESIDENT. The bill is open to further amendment. If there be no further amendment, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The VICE PRESIDENT. The bill having been read the third time, the question is, Shall it pass?

Mr. JOHNSTON of South Carolina. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered and the Chief Clerk called the roll.

Mr. McFARLAND. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Kentucky [Mr. CLEMENTS], the Senator from Iowa [Mr. GILLETTE], the Senator from Colorado [Mr. JOHNSON], the Senator from Arkansas [Mr. McCLELLAN], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Georgia [Mr. RUSSELL] are absent by leave of the Senate.

The Senator from Virginia [Mr. BYRD] is absent because of illness in his family.

The Senator from Illinois [Mr. DOUGLAS], the Senator from Wyoming [Mr. HUNT], the Senator from Texas [Mr. JOHNSON], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Louisiana [Mr. LONG], and the Senator from Kentucky [Mr. UNDERWOOD] are absent on official business.

I announce further that the Senator from Virginia [Mr. ROBERTSON] is paired on this vote with the Senator from New Jersey [Mr. SMITH]. If present and voting, the Senator from Virginia would vote "nay," and the Senator from New Jersey would vote "yea."

I announce further that if present and voting, the Senator from Wyoming [Mr. HUNT] would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from Utah [Mr. BENNETT], the Senator from Washington [Mr. CAIN], the Senator from Massachusetts [Mr. LODGE], the Senator from Pennsylvania [Mr. MARTIN], the Senator from South Dakota [Mr. MUNDT], and the Senator from Minnesota [Mr. THYE] are absent by leave of the Senate.

The Senator from Pennsylvania [Mr. DUFF], the Senator from Vermont [Mr.

FLANDERS], the Senator from Missouri [Mr. KEM], the Senator from Wisconsin [Mr. McCARTHY], and the Senator from Idaho [Mr. WELKER] are absent on official business.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from California [Mr. NIXON], and the Senator from Nebraska [Mr. WHERRY] are necessarily absent.

The Senator from New Hampshire [Mr. TOBEY] is absent because of illness.

The Senator from Ohio [Mr. BRICKER], the Senator from Illinois [Mr. DIRKSEN], the Senator from New Jersey [Mr. SMITH], and the Senator from Utah [Mr. WATKINS] are detained on official business.

On this vote, the Senator from New Jersey [Mr. SMITH] is paired with the Senator from Virginia [Mr. ROBERTSON]. If present and voting, the Senator from New Jersey would vote "yea" and the Senator from Virginia would vote "nay."

The Senator from Utah [Mr. BENNETT], if present, would vote "nay."

The result was announced—yeas 37, nays 25, as follows:

YEAS—37

Benton	Ives	Murray
Brewster	Kilgore	Neely
Butler, Md.	Langer	O'Connor
Butler, Nebr.	Lehman	O'Mahoney
Case	Magnuson	Pastore
Chavez	Maybank	Saltonstall
Green	McCarran	Smathers
Hayden	McFarland	Smith, Maine
Hendrickson	McMahon	Sparkman
Hennings	Millikin	Taft
Hill	Monroney	Young
Holland	Moody	
Humphrey	Morse	

NAYS—25

Capehart	Frear	Malone
Carlson	Fulbright	McKellar
Connally	George	Schoeppel
Cordon	Hickenlooper	Smith, N. C.
Dworshak	Hoey	Stennis
Eastland	Jenner	Wiley
Eaton	Johnston, S. C.	Williams
Ellender	Kerr	
Ferguson	Knowland	

NOT VOTING—34

Aiken	Gillette	Nixon
Anderson	Hunt	Robertson
Bennett	Johnson, Colo.	Russell
Bricker	Johnson, Tex.	Smith, N. J.
Bridges	Kefauver	Thye
Byrd	Kem	Tobey
Cain	Lodge	Underwood
Clements	Long	Watkins
Dirksen	Martin	Welker
Douglas	McCarthy	Wherry
Duff	McClellan	
Flanders	Mundt	

So the bill (H. R. 2094) was passed.

REHABILITATION OF FLOOD-STRICKEN AREAS

Mr. McFARLAND. Mr. President, I move that the Senate proceed to the consideration of H. J. Res. 341.

The VICE PRESIDENT. The Secretary will state the joint resolution by title.

The LEGISLATIVE CLERK. A joint resolution (H. J. Res. 341) making appropriations for rehabilitation of flood-stricken areas for the fiscal year 1952, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Arizona.

The motion was agreed to; and the Senate proceeded to consider the joint resolution (H. J. Res. 341), making ap-

propriations for rehabilitation of flood-stricken areas for the fiscal year 1952, and for other purposes.

ANNOUNCEMENT OF CONSIDERATION OF MUTUAL SECURITY APPROPRIATIONS

Mr. McFARLAND. Mr. President, I wish to make an announcement. The next bill to be taken up will be H. R. 5684, making appropriations for mutual security for the fiscal year ending June 30, 1952, and for other purposes.

EXECUTIVE SESSION

Mr. McFARLAND. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting the nomination of Charles Morris Irelan, of Maryland, to be United States attorney for the District of Columbia, vice George Morris Fay, resigned, which was referred to the Committee on the Judiciary.

EXECUTIVE REPORT OF A COMMITTEE

The following favorable report of a nomination was submitted:

By Mr. CONNALLY, from the Committee on Foreign Relations:

W. Averell Harriman, of New York, to be Director of Mutual Security.

RETURN TO THE PRESIDENT A TREATY AND PROTOCOL

Mr. CONNALLY. Mr. President, from the Committee on Foreign Relations, I report favorably an original Executive resolution directing the Secretary of the Senate to return to the President of the United States, in accordance with his request, a consular convention, with an accompanying protocol of signature, between the United States of America and the United Kingdom of Great Britain and Northern Ireland, signed at Washington on February 16, 1949, and an exchange of notes dated October 12, 1949, relating to the nonapplication of the convention to Newfoundland and Newfoundland citizens—Executive A, Eighty-first Congress, second session.

On June 20, 1951, the President transmitted to the Senate a consular convention and an accompanying protocol of signature between the United States of America and the United Kingdom of Great Britain and Northern Ireland, signed at Washington June 6, 1951. It is the President's desire that this convention and protocol be considered in place of the consular convention and accompanying protocol of signature signed on February 16, 1949, which the President asks be withdrawn.

I ask for immediate consideration of the resolution.

The VICE PRESIDENT. The resolution will be read for the information of the Senate.

The resolution was read, as follows:

Resolved, That the Secretary of the Senate be, and he is hereby, directed to return to the President of the United States, in accordance with his request, the following treaty:

A consular convention, with an accompanying protocol of signature, between the United States of America and the United Kingdom of Great Britain and Northern Ireland, signed at Washington on February 16, 1949, and an exchange of notes dated October 12, 1949, relating to the nonapplication of the convention to Newfoundland and Newfoundland citizens (Ex. A, 81st Cong., 2d sess.).

The VICE PRESIDENT. Is there objection?

Mr. SALTONSTALL. Mr. President, reserving the right to object, I wonder whether the Senator from Texas could give us the general background of the subject to which he has referred.

Mr. CONNALLY. The statement I made was to the effect that the President had sent to the Senate a convention and protocol. Now he wants it returned, so that he can send a different one.

Mr. SALTONSTALL. All that we would be doing would be to send the convention and protocol back to the President of the United States?

Mr. CONNALLY. That is correct.

Mr. SALTONSTALL. There is nothing for us to consider, therefore, except to follow the President's request and send back to him a certain convention and protocol.

Mr. CONNALLY. That is correct.

Mr. SALTONSTALL. I have no objection.

The VICE PRESIDENT. Is there objection?

There being no objection, the resolution was considered and agreed to.

The VICE PRESIDENT. If there be no further reports of committees, the nominations on the Executive Calendar will be stated.

UNITED STATES DISTRICT JUDGE

The Chief Clerk read the nomination of George W. Folta to be United States district judge for division No. 1, district of Alaska.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

UNITED STATES ATTORNEYS

The Chief Clerk read the nomination of Edmund Port, to be United States attorney for the northern district of New York.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Myles J. Lane, to be United States attorney for the southern district of New York.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

UNITED STATES MARSHAL

The Chief Clerk read the nomination of Francis Xavier Chapados, of Alaska, to be United States marshal of division No. 4, district of Alaska.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

The VICE PRESIDENT. Without objection, the nominations of postmasters are confirmed en bloc.

Without objection, the President will be notified of all nominations confirmed this day.

RECESS

Mr. McFARLAND. Mr. President, as in legislative session, I move that the Senate take a recess until tomorrow at 12 o'clock noon.

The motion was agreed to; and (at 5 o'clock and 30 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, October 17, 1951, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate, October 16 (legislative day of October 1), 1951:

UNITED STATES ATTORNEY

Charles Morris Irelan, of Maryland, to be United States attorney for the District of Columbia, vice George Morris Fay, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate October 16 (legislative day of October 1), 1951:

UNITED STATES DISTRICT JUDGE

George W. Folta, of Alaska, to be United States district judge for division No. 1, district of Alaska.

UNITED STATES ATTORNEYS

Edmund Port to be United States attorney for the northern district of New York.

Myles J. Lane to be United States attorney for the southern district of New York.

UNITED STATES MARSHAL

Francis Xavier Chapados, of Alaska, to be United States marshal for division No. 4, district of Alaska.

POSTMASTERS

ILLINOIS

John P. Kvidera, Carey.
Russell W. Jones, Casey.
Gladys E. Marshall, Chestnut.
Gladys L. White, Valier.

MINNESOTA

Louis Rodal, Nielsville.

MISSISSIPPI

Rusie M. King, Heidelberg.

NEW HAMPSHIRE

Clarence W. Colbeth, North Hampton.

UTAH

Clifford H. Sondrup, Ephraim.
David R. Trevithick, Salt Lake City.

Daily Digest

HIGHLIGHTS

Senate passed bill on D. C. hospital grants, and cleared for President bills on D. C. incapacitated and D. C. teachers.

House rejected tax-revision bill and passed railroad retirement bill.

Senate committees voted to report mutual security and flood rehabilitation appropriations bills, and numerous miscellaneous and private bills.

Bill increasing pay and allowances of uniformed servicemen approved by House committee.

Conferees agreed to file reports on postal pay-increase bill, and Army civil-functions appropriations.

Senate

Chamber Action

Routine Proceedings, pages 13509-13514

Bills Introduced: Three bills and one resolution were introduced, as follows: S. 2276 to S. 2278; and S. Res. 224.

Page 13510

Bills Reported: Reports were made as follows:

S. 1912, to provide for the conveyance of certain land to the city of New Orleans, with amendment (S. Rept. 959);

H. R. 5684, mutual security appropriations for 1952, with amendments (S. Rept. 960);

H. J. Res. 341, making appropriations for rehabilitation of flood-stricken areas for the fiscal year 1952 (S. Rept. 961);

S. Res. 224, referring S. 122, private bill, to Court of Claims (S. Rept. 962);

H. J. Res. 308, proclaiming January 13 as Stephen Foster Memorial Day (S. Rept. 963);

S. 544, 560, 589, 750, 1045, 1097, 1359, 1560, 1620, 1636, 1683, 1925, 1931, 1980, 2172, 2228, 2271; H. R. 596, 610, 658, 853, 884, 980, 1457, 1851, 2176, 2290, 2506, 2547, 2632, 2791, 3281, 4035, 4181, 4567, 4922, 4929, 4940, 4969, 5104; S. 430, 465, 993, 1255, 2041, 2054, 2119, 1538; and H. R. 4930 (S. Repts. 964-977, 979, 981-1000, 1002-1004, 1006-1011, 1014-1016, 1018, and 1021, respectively);

S. 2160, Federal custody of State offenders (S. Rept. 978);

S. 2198, making the theft or receipt of stolen mail a felony (S. Rept. 980);

H. R. 4687, withholding of certain patents detrimental to the national security (S. Rept. 1001);

H. R. 4945, refund of forfeited bail (S. Rept. 1005);

S. 1709, for the relief of certain Army disbursing officers, with an amendment (S. Rept. 1012);

S. 1932, facilities for detention of aliens, with an amendment (S. Rept. 1013);

S. 2165, unauthorized acceptance or wearing of foreign decorations, with an amendment (S. Rept. 1017);

S. 2039, prohibiting display of flags in equal or superior prominence or honor to that of the U. S., with amendments (S. Rept. 1019); and

H. R. 3899, to amend certain titles of the U. S. Code, with amendments (S. Rept. 1020).

Pages 13509-13510, 13514

Bills Referred: Eleven House-passed bills were referred to appropriate committees.

Page 13514

Maryland Senatorial Election: Individual views on report of Committee on Rules and Administration on Maryland senatorial election were ordered to be printed as S. Doc. 81.

Page 13511-13512

D. C. Incapacitated: Conference report on S. 11, to conserve the assets of persons of advanced age, mental weakness, or physical incapacity, was adopted, clearing the bill for the President.

Pages 13514-13515

D. C. Teachers' Leave: S. 657, to amend the D. C. Teachers' Leave Act relative to accumulated sick leave, was cleared for President when Senate concurred in House amendments thereto, one with a clarifying amendment renumbering a section.

Page 13515

D. C. Teachers' Salary: S. 945, to amend the D. C. Teachers' Salary Act to correct certain inequities, was cleared for President when Senate concurred in House amendments thereto.

Pages 13515-13516

Military Claims: Senator Capehart withdrew his motion entered on yesterday to reconsider vote by which Senate previously had passed H. R. 1181, authorizing payment of claims arising from the correction of injustices in military or naval service records. Page 13509

D. C. Hospitals: By 37 yeas to 25 nays, Senate passed H. R. 2094, to authorize the making of grants for hospital facilities in D. C., after adopting Case amendment providing that 50 percent, rather than 30 percent, of the net amount expended by FWA Administrator for D. C. hospital center, shall be charged against D. C. and shall be repaid to Federal Government by D. C. Motion by Senator Johnston of South Carolina to recommit the bill to the Committee on the District of Columbia was rejected by 29 yeas to 34 nays. (Langer amendment respecting interest rates, which was pending at recess yesterday, was withdrawn.) Pages 13516-13535

Consultative Assembly: Under the provisions of S. Res. 215, authorizing appointment of seven Senators to Consultative Assembly of the Council of Europe, Vice President appointed four of these seven members as follows: Senators Green, chairman, McMahon, Wiley, and Humphrey. Page 13509

Flood Rehabilitation: H. J. Res. 341, making appropriations for rehabilitation of flood-stricken areas for the fiscal year 1952, was made the Senate's unfinished business. Pages 13535-13536

Treaty Returned: By adoption of resolution in executive session, Senate returned to President, at his request, convention and protocol between U. S. and Great Britain, signed at Washington on February 16, 1949, and exchange of notes dated October 12, 1949, relating to nonapplication of the convention to Newfoundland (Exec. A, 81st Cong., 2d sess.). Page 13536

Confirmations: Four civilian nominations were confirmed, along with nine postmaster nominations. Page 13536

Nomination: One civilian nomination was received. Page 13536

Program for Wednesday: Senate recessed at 5:30 p. m. until noon Wednesday, October 17, when it will consider H. J. Res. 341, appropriations for flood-stricken areas.

Committee Meetings

(Committees not listed did not meet)

MUTUAL SECURITY AND FLOOD REHABILITATION APPROPRIATIONS

Committee on Appropriations: In executive session, committee concluded marking up and agreed to report with amendment H. R. 5684, mutual security appropriations for 1952. As approved by the committee, the bill

would appropriate approximately \$7,208,401,000. The committee approved the House-passed figures in both military assistance (divided into four titles) and economic assistance (divided into four titles), after decreasing each item by 5 percent and then adding \$100 million for assistance to Spain. As approved by the House, the bill would appropriate \$7,482,527,790. Budget estimates considered total \$7,527,527,790.

Committee also voted to report without amendment H. J. Res. 341, making appropriations for rehabilitation of flood-stricken areas for the fiscal year 1952. As approved by the committee, it would appropriate \$57,440,000 in direct appropriations, and increase limits on RFC disaster loans from \$40 million to \$100 million.

FAR EAST, AND NOMINATION

Committee on Foreign Relations: In executive session, committee ordered reported favorably the nomination of W. Averell Harriman to be Director of the Mutual Security Agency.

Committee also agreed to a motion by Senator McMahon that the records of the committee regarding the Far East, and particularly China, be published, subject to editing and screening by the staff, by the State and Defense Departments, and by the members of the committee themselves; this should be completed by February of 1952.

GENERAL AND PRIVATE BILLS REPORTED

Committee on the Judiciary: In executive session, the committee voted to report 60 bills, of which 10 were general, and 50 private, as follows:

General bills include: (1) S. 2165, unauthorized acceptance or wearing of foreign decorations, with an amendment; (2) S. 2039, prohibiting display of flags in equal or superior prominence or honor to that of the U. S., with amendments; (3) H. R. 4687, withholding of certain patents detrimental to the national security; (4) S. 2198, making the theft or receipt of stolen mail a felony; (5) S. 2160, Federal custody of State offenders; (6) S. 1932, facilities for detention of aliens, with an amendment; (7) H. R. 4945, refund of forfeited bail; (8) S. 1709, for the relief of certain Army disbursing officers, with an amendment; (9) H. J. Res. 308, proclaiming January 13 as Stephen Foster Memorial Day; and (10) H. R. 3899, to amend certain titles of U. S. Code, with amendments.

Private bills include 39 immigration (S. 465, 544, 560, 589, 1255, 1620, 1683, 1931, 2054, 2119, 2172, H. R. 1457, S. 750, 993, 1359, 1925, 1980, 2041, 2228, H. R. 610, 853, 884, 980, 1851, 2506, 2547, 2632, 2990, 3281, 4567, 4922, 4929, 4930, 4940, 4969, 5104, S. 1560, 1636, and 2271), and 11 private claims (S. 430, 1045, 1097, 1538, H. R. 4035, 658, 2791, 2176, 596, 4181, and S. 122—this bill would be referred to Court of Claims by S. Res. 224).

Nineteen bills were indefinitely postponed, of which six were general (S. J. Res. 5, 7, 11, 24, 89, and S. 1913).

REHABILITATION OF FLOOD-STRICKEN AREAS

OCTOBER 16 (legislative day, OCTOBER 1), 1951.—Ordered to be printed

Mr. McKELLAR, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H. J. Res. 341]

The Committee on Appropriations, to whom was referred House Joint Resolution No. 341, making appropriations for rehabilitation of flood-stricken areas for the fiscal year 1952, and for other purposes, report the same to the Senate without amendment with the recommendation that the resolution be passed.

The President under date of August 20, 1951, submitted to Congress in House Document No. 228 a message relative to the recent flood disaster suffered in the Middle West and asked an appropriation of \$400,000,000 for relief and rehabilitation in this disaster area.

There is no question in the minds of the members of the committee as to the seriousness and magnitude of this disaster or the suffering and damage which resulted from this flood.

Recognizing the need for funds for relief the Congress on July 18 appropriated \$25,000,000 to the disaster fund of the President for use in the flood area.

The status of the fund as of September 24, 1951, is as follows:

Total funds available.....	\$25, 800, 000
Amounts allocated to date:	
To Kansas for clean-up and rehabilitation.....	\$7, 075, 000
To Missouri for clean-up and rehabilitation.....	2, 525, 000
To Oklahoma for clean-up and rehabilitation.....	225, 000
To Housing and Home Finance Agency for temporary housing.....	4, 250, 000
To Department of Agriculture for livestock feeding.....	1, 000, 000
To Federal Security Agency for medical and sanitary services.....	228, 600
	<hr/> 15, 328, 600
Unallocated balance.....	<hr/> 10, 471, 400

The following additional requests for allocations are pending:

Requested by Corps of Engineers.....	\$2, 800, 000
Requested by State of Kansas.....	8, 000, 000
Additional temporary housing.....	750, 000

Total requests pending.....	11, 550, 000
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In his message to the Congress the President asked for an appropriation of \$400,000,000 for the following purposes:

1. To indemnify the flood victims for a portion of their loss of real and personal property.
2. To make and guarantee loans on liberal terms for the building of homes and businesses to replace those destroyed.
3. To help farmers drain and rehabilitate their land, replace buildings, and restore the productive capacity of their farms, through on-farm assistance and disaster loans.
4. To permit loans where necessary to enable State and local government participation in the rehabilitation activities.
5. To provide funds to establish a national system of flood disaster insurance, similar to the war damage insurance system of World War II.

To administer the program, the President expects to establish a Flood Disaster Administration as a small policy and control body, with operating functions placed in existing Federal and State departments and agencies.

With respect to the indemnification provision and national system of flood-disaster insurance, as well as the creation of a Flood Disaster Administration, it is the consensus of opinion of the members of the committee that these are matters which call for substantive legislation and should be considered by the proper legislative committees.

The joint resolution does provide for certain phases of the program, as follows:

1. Appropriation of an additional \$18,440,000 to the regular activities of the Department of Agriculture for restoration of productive capacity of farms through clearing sand, water, and debris from flooded lands, reestablishing pastures, stock water facilities, terraces and other conservation measures, and clearing tributary streams and waterways.
2. Appropriation of an additional \$30,000,000 to the Disaster Loan Revolving Fund of the Farmers Home Administration of the Department of Agriculture to provide funds to replace or repair farm homes, buildings, equipment, furnishings, livestock, etc. This will supplement \$13,000,000 now available from the Disaster Loan Fund, plus \$14,100,000 available from the regular FHA lending programs.
3. Appropriation of an additional \$5,000,000 for disaster relief activities to supplement the \$25,800,000 previously appropriated. This additional amount will be available for direct relief and rehabilitation activities in the area under the provisions of Public Law 875, Eighty-first Congress.
4. Increase of the limitation on RFC disaster loans from \$40,000,000 to \$100,000,000 to provide funds to rehabilitate business and home owners, and extension from 10 to 20 years of the time limit fixed by law on loans for acquisition or construction of housing. This will enable the RFC to make liberal loans to home owners whose property was destroyed or damaged by the flood and thereby restore their equity to the extent that they will be placed in position to obtain additional credit if needed from regularly established institutions that finance home construction.

Calendar No. 911

82D CONGRESS
1ST SESSION

H. J. RES. 341

[Report No. 961]

IN THE SENATE OF THE UNITED STATES

OCTOBER 4 (legislative day, OCTOBER 1), 1951

Read twice and referred to the Committee on Appropriations

OCTOBER 16 (legislative day, OCTOBER 1), 1951

Reported by Mr. McKELLAR, without amendment

JOINT RESOLUTION

Making appropriations for rehabilitation of flood-stricken areas
for the fiscal year 1952, and for other purposes.

1 *Resolved by the Senate and House of Representatives*
2 *of the United States of America in Congress assembled,*
3 That there is hereby appropriated, out of any money in the
4 Treasury not otherwise appropriated, for the fiscal year
5 ending June 30, 1952, the following sums:

6 DEPARTMENT OF AGRICULTURE

7 Conservation and use of agricultural land resources: For
8 an additional amount, \$16,480,000, including the furnishing
9 of services, materials, and payments for conservation and
10 land restoration measures, to enable the Secretary to carry out
11 flood assistance and rehabilitation in agricultural areas, dam-

1 aged by excessive rains, runoff, and floodwaters, design-
2 nated by the Secretary of Agriculture as disaster areas under
3 Public Law 38, approved April 6, 1949: *Provided*, That
4 this appropriation may be expended without regard to the
5 adjustments required under section 8 (e) of the Soil Con-
6 servation and Domestic Allotment Act (16 U. S. C. 590h)
7 and may be distributed among States without regard to other
8 provisions of law: *Provided further*, That the administrative
9 expense limitations provided under this appropriation item
10 in the Department of Agriculture Appropriation Act, 1952,
11 may be increased by not more than \$1,780,000, of which not
12 more than \$180,000 may be made available to State Extension
13 Services to provide assistance through the Cooperative
14 Agricultural Extension Service.

15 Soil Conservation Service: For an additional amount
16 for salaries and expenses, \$1,960,000, for emergency restoration
17 of channel capacity in tributary stream channels and
18 waterways, and related measures, affecting more than individual
19 farms, in agricultural areas, damaged by excessive
20 rains, runoff, and floodwaters, designated by the Secretary
21 of Agriculture as disaster areas under Public Law 38, approved
22 April 6, 1949.

23 Farmers Home Administration: For an additional
24 amount for the Disaster Loan Revolving Fund established
25 under Public Law 38, approved April 6, 1949, \$30,000,000.

DISASTER RELIEF

For an additional amount for "Disaster relief",
\$5,000,000.

RECONSTRUCTION FINANCE CORPORATION

Disaster loans: Section 4 (c) of the Reconstruction Finance Corporation Act, as amended, is hereby amended by striking out "\$40,000,000" and inserting in lieu thereof "\$100,000,000": *Provided*, That any loan, including renewal or extension thereof, under section 4 (a) (4) of such Act for acquisition or construction (including acquisition of site therefor) of housing for the personal occupancy of the applicant, may be made for a period of not to exceed twenty years.

Administrative expenses: The amount authorized for administrative expenses of the Reconstruction Finance Corporation as set forth in the Supplemental Appropriation Act, 1952, is hereby increased to \$17,750,000.

SEC. 102. This Act may be cited as the "Flood Rehabilitation Act, 1952".

Passed the House of Representatives October 4, 1951.

Attest:

RALPH R. ROBERTS,

Clerk.

82ND CONGRESS
1ST SESSION

H. J. RES. 341

[Report No. 961]

JOINT RESOLUTION

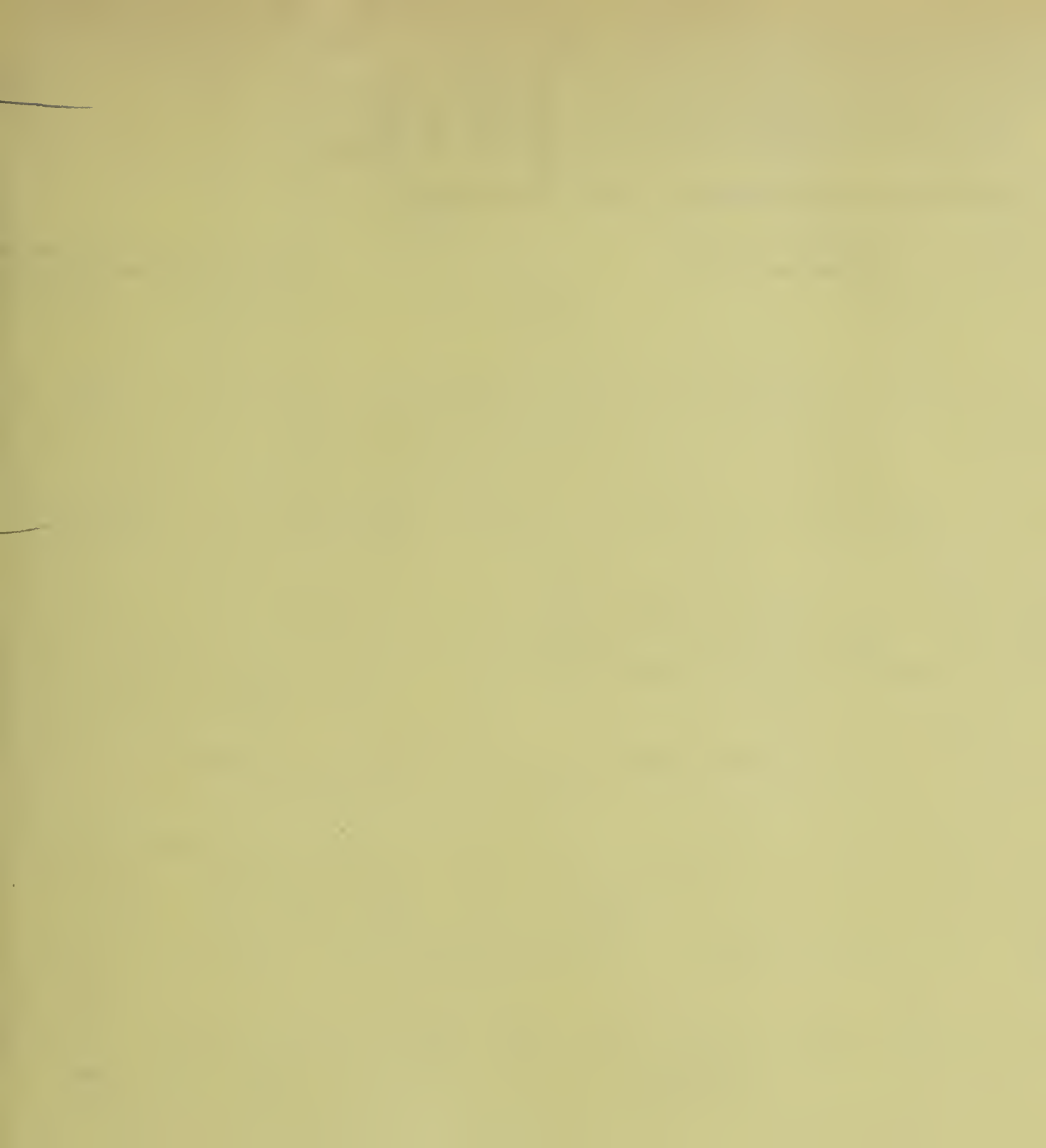
Making appropriations for rehabilitation of
flood-stricken areas for the fiscal year 1952,
and for other purposes.

OCTOBER 4 (legislative day, OCTOBER 1), 1951

Read twice and referred to the Committee on
Appropriations

OCTOBER 16 (legislative day, OCTOBER 1), 1951

Reported without amendment



Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued Oct. 118, 1951
For actions of Oct. 17, 1951
82nd-1st, No. 195

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HIGHLIGHTS: Senate passed flood-relief appropriations measure. Ready for President. Both Houses agreed to conference report on Army civil functions appropriation bill. Ready for President. Senate debated foreign-aid appropriation bill. Senate agreed to have further conference on tax bill. House committee ordered reported brucellosis and paratuberculosis bill.

SENATE

1. FLOOD-RELIEF APPROPRIATIONS. Passed without amendment H. J. Res. 341, making additional appropriations for flood relief and rehabilitation (pp. 13599-609). This measure will now be sent to the President. An amendment by Sen. Hennings, to appropriate \$221,560,000, and an amendment by Sen. Carlson, to appropriate \$3,000,000 additional for distribution through public-welfare agencies, were ruled out of order (pp. 13600-8).
2. ARMY CIVIL FUNCTIONS APPROPRIATION BILL, 1952. Both Houses agreed to the conference report on this bill, which includes flood-control items (pp. 13609-19, 13630-8). This bill will now be sent to the President.
3. PARCEL POST. Both Houses agreed to the conference report on S. 1335, to readjust the size and weight limits on parcel post (pp. 13620, 13638). This bill will now be sent to the President.
4. TAXATION. Conferees were appointed for a further conference on H. R. 4473, the tax bill (p. 13609).
Sen. George inserted a telegram from Allan B. Kline, Farm Bureau Federation, recommending adoption of a tax bill to help control inflation (p. 13620).
5. FOREIGN-AID APPROPRIATIONS. Began debate on H. R. 5684, appropriating funds to carry out the Mutual Security Act of 1951 (pp. 13620-1).
6. TRANSPORTATION. Sen. Holland reviewed the activities of southern Governors toward removal of freight-rate discriminations against the South (pp. 13627-8).
7. HEARING EXAMINERS. It was agreed that the Civil Service Commission regulations on hearing examiners, together with an Attorney General's opinion and other

material, would be printed as S. Doc. 82 (pp. 13590-1).

HOUSE

8. TAXATION. The "Daily Digest" states that the conferees on the tax bill, H. R. 4473, met in executive session to reconsider the conference report but made no announcement as to action taken (p. D987). Majority Leader McCormack said on the floor that it was hoped another conference report on this bill would come in on Friday and put Members on notice to expect it (p. 13667).
9. ANIMAL DISEASES. The Agriculture Committee ordered reported, but did not actually report, H. R. 5063, to amend the act of 1884 to permit the interstate movement, for immediate slaughter, of domestic animals which have reacted to a test for paratuberculosis or which, never having been vaccinated for brucellosis, have reacted to a test for brucellosis (p. D986).
10. LAND TRANSFERS. The Agriculture Committee reported without amendment H. R. 4686, authorizing the transfer of a certain tract of land in the Robinson Remount Station, Fort Robinson, Dawes County, Nebr., to the city of Crawford (H. Rept. 1203) (p. 13673).
This committee also reported with amendment H. R. 4749, authorizing the Secretary of Agriculture to return certain lands to the Police Jury of Caddo Parish, La. (H. Rept. 1204) (p. 13673).
11. FLOOD CONTROL. The Public Works Committee reported without amendment S. 1622, to amend section 10 of the Flood Control Act of 1946 (H. Rept. 1201) (pp. 13672-3).
This committee also reported without amendment S. 1020, to authorize a preliminary examination and survey for flood control and allied purposes of Las Vegas Wash and its tributaries, Las Vegas, Nev., and vicinity (H. Rept. 1200) (p. 13672).
12. PROPERTY. Passed as amended, by a division vote of 101 to 40, H. R. 2574, to amend the Federal Property and Administrative Services Act of 1949 and the Armed Services Procurement Act of 1947 to provide that contracts negotiated without advertising under these acts shall stipulate that the Comptroller General shall have the right to examine any directly pertinent data of contractors and subcontractors, then passed S. 921 with House language inserted (pp. 13638-44).
13. MINERALS. The Ways and Means Committee ordered reported, but did not actually report, H. R. 5448, to provide for the temporary free importation of zinc (p. D986).
14. ELECTRIFICATION. Received a copy of a publication from the Federal Power Commission entitled "Typical Residential Electric Bills for Cities of 2,500 Population and More, January 1, 1951"; to Interstate and Foreign Commerce Committee (p. 13672).

BILLS INTRODUCED

15. PERSONNEL; INFORMATION. S. 2284, by Sen. Morse (for himself, Sen. Douglas, and Sen. Humphrey), a bill to require Members of Congress, certain other officers and employees of the United States and certain officials of political parties to file statements disclosing the amount and sources of their incomes, the value of their assets, and their dealings in securities and commodities; to Rules and Administration Committee (p. 13590). Remarks of author.

Fourth. However, when the audit in 1947 was authorized, these earlier years were retroactively examined, and tax deficiencies, including penalties, of \$2,-230,744.82 were established.

Fifth. When tried for criminal charges, first Mr. Lias pleaded guilty as he says with the understanding that a deal had been made with the Federal judge whereby he would not receive prison sentence. However, after being sentenced to 5 years, Mr. Lias then charged that he had been double-crossed and reversed his plea of guilty.

Sixth. For nearly 3 years the Government's books have shown Mr. Lias' tax assessments, including penalties, to total over \$2,000,000; yet no warrants of restraint or liens have been entered against his property.

Seventh. During this interval in which the Government has failed to protect its interests, Mr. Lias, with the full knowledge of the Treasury Department, has been permitted to dispose of a substantial part of his assets through gifts to members of his family. Still no action was taken to stop this transfer. In fact I was advised that as of last Friday no liens had yet been recorded against this notorious racketeer.

Eighth. Mr. Lias has spent over \$300,-000—\$75,800 of which was paid in cash—in the past 3 years to keep out of jail and to throw the machinery of this Government into slow motion.

This case has been presented as an example of how the Government has enforced the tax laws as affecting one of America's most notorious racketeers. Instead of my drawing any conclusions, I have attempted to merely state the facts—each taxpayer can compare this case with the treatment he himself has received.

REHABILITATION OF FLOOD-STRICKEN AREAS

The Senate resumed the consideration of the joint resolution (H. J. Res. 341) making appropriations for rehabilitation of flood-stricken areas for the fiscal year 1952, and for other purposes.

The PRESIDING OFFICER. The joint resolution is open to amendment. Mr. HUNT. I suggest the absence of a quorum.

The legislative clerk proceeded to call the roll.

Mr. HUNT. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded and that further proceedings under the call be suspended.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRIBUTE TO THE VICE PRESIDENT

Mr. UNDERWOOD. Mr. President, the great debate was just starting when the junior Senator from Kentucky became a Member of the United States Senate on March 19, 1951. It is still going on. Men may come and men may go, but the great debate goes on forever. It has not settled anything, but it certainly serves one purpose. Those who prolong this debate have one proficiency. No one on earth can talk more and say less, and they can empty the Chamber of the United States Senate quicker than a motion to adjourn.

It was an honor to be sworn in by the distinguished, beloved, and truly great Vice President of the United States. A gifted Kentuckian, he has been the key-note of two Democratic national conventions and the permanent chairman of one Democratic national convention. He is the most popular after-dinner speaker in America. He is the only man who has ever been both the bridegroom and the grandfather of the year at the same time.

For nearly 40 years since the days of Woodrow Wilson, when he served in the House of Representatives, he has advocated world peace through international organization. By background and tradition, in private life and public service, he is as loyal and as patriotic an American as ever lived—ALBEN W. BARKLEY. But Senators know him, as do most of our citizens, because he has served in this greatest deliberative body on earth for 24 years, as a Member, as the floor leader for his party, and as the Presiding Officer.

Congress, indeed, by resolution named him a member of the National Security Council which meets every Wednesday. He has served as president of the Inter-Parliamentary Union that has done so much for world peace, accord, and understanding.

Mr. President, Kentuckians are proud of ALBEN W. BARKLEY. He has held public office longer than has any other man in the history of our Commonwealth, even Henry Clay—and without reproach. Never has the Vice President merited admiration more than on Friday of last week when he sat with quiet dignity and listened to an attack on him that was wholly unwarranted. Surely any remark by the Vice President must be misconstrued if it appears that he has reflected upon any of his colleagues in this body because no one has gone to such extremes to preside, not only with dignity and honor, but with fairness and infinite patience and friendship for all the Members.

Silence is golden. The Vice President listened with proper disregard to a challenge to go to the floor to indulge in a mud-slinging contest. Well versed observers say that in the history of this Republic, no Member of the United States Senate has ever thus reflected upon a Vice President, or questioned what he said off the floor.

Mr. BARKLEY showed that when it is unwise and imprudent even he himself does not follow the policy of hot pursuit. Perhaps one reason for this is that in one of the most epochal incidents in the history of Kentucky, the Battle of Blue Licks, so many Kentuckians were slaughtered in an Indian massacre that their remains rested in a common grave and for many years their identity could not even be established. This was because they followed into a death trap set by the Indians, the intemperate advice of an excited officer who yelled, "Let all who are not cowards follow me." The unwise counsel of this challenge was followed to the death against the advice of Daniel Boone and the other older and more level-headed and experienced pioneers and leaders of that day.

In a speech in Hollywood, the Vice President said that there are some persons who are snooping around the alleys to dig up a platform from the garbage cans. He was not specific as to whom he referred, but, Mr. President, "Guilty conscience fleeth when no man pursueth." So we find a member of this distinguished body rising to defend itself.

Mr. President, every Kentuckian will resent this attack. It is regretted that the Senator who made it is not present today, but his office was notified that these comments would be made on the floor, though, of course, nothing will be said at which anyone could properly take offense. However, since as a conferee on a bill that originated in the Post Office and Civil Service Committee it was necessary for the junior Senator from Kentucky to be absent from the floor when the remarks on the Senate floor were made, this uncalled for sideswipe at the Vice President of the United States may be referred to now. The junior Senator from Kentucky, therefore, takes this opportunity to state that as a Kentuckian he resents it, as an American he deplors it, and as a Member of this august body he thinks it should be deeply regretted.

The real concern of those who complain so loudly is that with the adjournment of Congress near, the Vice President is able to go out and make more political speeches. Those who trembled at the news that Richard Coeur de Lion had returned to England from the Crusades said, "Richard is himself again."

Once more BARKLEY's voice is raised. The forgotten man remembers him. The farmer knows him well. The people have confidence in what he says. All Americans know that he works with ceaseless zeal for the defense of this country and the peace of the world.

Ah, yes, Mr. President, the lion is loose. That is what has some folks worried.

REHABILITATION OF FLOOD-STRICKEN AREAS

The Senate resumed the consideration of the joint resolution (H. J. Res. 341) making appropriations for rehabilitation of flood-stricken areas for the fiscal year 1952, and for other purposes.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). The joint resolution is before the Senate and open to amendment.

Mr. HUNT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUNT. Mr. President, I ask unanimous consent that the order for the roll call be rescinded and that the proceedings under the order be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MCKELLAR. Mr. President, House Joint Resolution 341 involves appropriations for flood-stricken areas in the Middle West. In my opinion, the Committee on Appropriations has been very liberal. I do not believe there will be any objection to the joint resolution, and I trust it may be speedily passed.

Every Senator knows what occurred in the afflicted areas which make it important to have these appropriations made.

The figures showing the funds available, the amounts allocated, and the unallocated balance are given in the report. Additional requests for allocations are pending in the sum of \$11,550,000.

Mr. CARLSON. Mr. President, will the Senator from Tennessee yield?

Mr. McKELLAR. I yield to the Senator from Kansas.

Mr. CARLSON. In reading the report I note that \$18,440,000 is made available for the Department of Agriculture, I believe an appropriation of an additional \$30,000,000 to the disaster loan revolving fund of the Farmers Home Administration, under the Department of Agriculture, an appropriation of an additional \$5,000,000 for disaster-relief activities to supplement the \$25,800,000 previously appropriated, and an increase in the limitation on the RFC disaster loans from \$40,000,000 to \$100,000,000.

I should like to ask the distinguished chairman of the Committee on Appropriations if there is any provision in the joint resolution for direct grants or direct relief to the communities.

Mr. McKELLAR. No, there is not. In the very nature of things, we have never taken that course. We are following the usual and ordinary method in granting relief, in the present circumstances.

The Senator from Kansas will recall that when the flood occurred in Kansas and Missouri the Senate made two appropriations immediately, the money to be distributed by the Chief of Engineers, and we are following the same course in the pending joint resolution.

There was no objection to reporting of the joint resolution by Senators on either side. It has the full endorsement of Republican Senators and the full endorsement of Democratic Senators on the committee. The measure seems to be necessary, proper and right, and I believe that if the Senator from Kansas had been on the committee he would have endorsed the joint resolution.

Mr. CARLSON. Mr. President, will the Senator from Tennessee yield further?

Mr. McKELLAR. I yield.

Mr. CARLSON. I wish to express my sincere appreciation to the distinguished chairman of the Committee on Appropriations for bringing before the Senate this joint resolution containing the provisions found in it, which deal with additional funds and authorizations and appropriations for the Department of Agriculture, the Farmers Home Administration, and make an increase in the loaning capacity of the RFC in disaster loans.

I want the Senator to know that we deeply appreciate what he has done. We did suffer a most disastrous flood, one of the greatest floods ever experienced in this Nation. The loss has been estimated at \$2,500,000,000. The flood affected not only Kansas, Missouri, and Oklahoma, but the effects were Nation-

wide. I had hoped there would be some provision for direct relief money in the joint resolution. But, as I have stated, I do want the Senator to know that I appreciate his bringing the joint resolution before the Senate today.

Mr. McKELLAR. I thank the Senator. We have provided as we usually do in such cases. I call the Senator's attention to a very short excerpt from the report:

With respect to the indemnification provision and national system of flood-disaster insurance, as well as the creation of a Flood Disaster Administration, it is the consensus of opinion of the members of the committee that these are matters which call for substantive legislation and should be considered by the proper legislative committees.

This plan was carried out, so that the people in the affected areas could help to protect themselves, as well as receive help from the Government. I think we have been as liberal as it was possible to be under the circumstances. I believe that we did the things which should have been done.

Mr. President, if there is no objection to the joint resolution, I hope that it may pass.

Mr. HENNINGS. Mr. President, let me say to the distinguished chairman of the Committee on Appropriations that I intend to offer an amendment to the joint resolution.

Mr. McKELLAR. Any amendment will be in order.

Mr. HENNINGS. I do so with the feeling which has been expressed by the distinguished Senator from Kansas [Mr. CARLSON]. We all revere, respect, and hold in high affection the chairman of the Committee on Appropriations. At the very outset of the great disaster which overtook our section of the country he immediately called a meeting of his committee, after attending a breakfast meeting with the Governor and Representatives in Congress from our State. He was of the greatest assistance to us. He gave us all the support and encouragement he could possibly have given us. Throughout the course of our efforts, insofar as was humanly possible, and insofar as has been possible legislatively up to this time, he has done everything to help mitigate the dreadful and appalling effects of this great national disaster.

In offering this amendment I am not unmindful of the fact that there is a division of respectable opinion as to what could and should be done. I wish to pay tribute to the distinguished chairman of the Committee on Appropriations for the consistent and constant cooperation which he has given to those of us who have been particularly interested in this problem because of our representation of the areas affected.

Only the other afternoon, in the press of the enormous volume of business before the chairman of the committee, he gave us an opportunity to be heard, and we presented some of the facts which I shall undertake to present today in support of the amendment which I shall offer.

Mr. McKELLAR. I believe there are no committee amendments, so the joint

resolution is now before the Senate and open to amendment.

Mr. HENNINGS. Mr. President, I offer the amendment which I send to the desk, and ask to have stated.

The PRESIDING OFFICER (Mr. STENNIS in the chair). The amendment offered by the Senator from Missouri will be stated.

The CHIEF CLERK. On page 3, following line 17, prior to section 102, it is proposed to insert the following:

INDEMNIFICATION

For expenses necessary to enable the President, through such agencies of the Government (including new agencies which the President is hereby authorized to create) as he may direct, and under such regulations as he may approve, to provide for and to take such measures as he may deem necessary for relief and rehabilitation in the areas declared by the President during July and August 1951 to be disaster areas because of floods, including (a) partial indemnification for physical loss of, or damage to, such tangible real or personal property as may be deemed administratively feasible, but such indemnification (1) shall not exceed \$20,000 for all claims of any one person and shall in no case exceed 80 percent of an amount equal to the cost of replacing, rehabilitating, repairing, or reconstructing such property (less depreciation), (2) may be required to be contingent upon financial participation of State and/or local governments and compromise of creditors' claims (including claims of Federal agencies which are hereby authorized to be compromised without consideration), and (3) shall be adjusted on account of any assistance, compensation, insurance, or other reimbursement received or due on account of such loss or damage; (b) loans to State and local governments, on such terms and conditions as may be deemed necessary, to enable financial participation by such governments in the indemnification program authorized herein; (c) personal services, without regard to the civil service laws; (d) hire of passenger motor vehicles and aircraft; (e) advance of funds under section 11 of the act of August 2, 1946 (31 U. S. C. 529); (h) expenses of attendance at meetings concerned with the purposes of this appropriation; and (i) services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a); \$221,560,000 to remain available until June 30, 1952: *Provided*, That prior to the payment of any indemnity, or the granting or guaranteeing of any loan to a State or local government under this act, the recipient thereof, or the cognizant State or local government, may be required to provide reasonable assurance of the relocation, reconstruction, replacement, rehabilitation, or repair of the damaged property so as to provide reasonable protection against the recurrence of flood loss or damage to such property, or the indiscriminate redevelopment thereof, and for these purposes there may be acquired by purchase, donation, other means of transfer, or condemnation, land which is subject to recurrent flooding, and such land may be utilized or disposed of in such a manner as to reduce the likelihood of further serious flood damage; and whenever necessary, property acquired by purchase, donation, or other means of transfer may be occupied, used, and improved, for the purposes of this act prior to the approval of title by the Attorney General as required by section 355 of the Revised Statutes, as amended (40 U. S. C. 255): *Provided further*, That any indemnification made pursuant to the provisions of this appropriation shall be final and conclusive for all purposes: *Provided further*, That the authority conferred by this appropriation and the funds provided herein shall be supplementary to, and not in substitution

for, nor in limitation of, any other authority conferred or funds provided under any other law: *And provided further*, That the functions and duties exercised under this act shall be excluded from the operation of the Administrative Procedures Act (60 Stat. 237), except as to the requirements of section 3 thereof.

Mr. CASE. Mr. President, I desire to reserve a point of order against the amendment.

The PRESIDING OFFICER. The Senator reserves a point of order against the amendment.

Mr. McKELLAR. Mr. President, I wish to do the same thing.

Let me say to the Senator from Missouri that there is great sympathy in the Senate for his amendment. While the President of the United States did not recommend this proposal as an amendment to the joint resolution, I think he either recommended it generally or in a special message to the Congress. If I correctly recall, the Senator from Missouri introduced a bill on the subject, which bill was referred to the Committee on the Judiciary.

Mr. HENNINGS. The Senator is correct.

Mr. McKELLAR. The present amendment is subject to a point of order. I am sure the Senator understands that. I dislike to make a suggestion to the Senator from Missouri, because probably he has given this particular subject more study than I have, although I have given it a great deal of study lately. I suggest to the Senator that he let his bill take the usual course. I am sure that I would vote for the bill if it came before the Senate with the endorsement of the Committee on the Judiciary. However, as an amendment to the pending joint resolution, it would probably endanger the appropriation which the Appropriations Committee has recommended. I am afraid that the House would feel that we were undertaking to attach legislation to an appropriation bill, which we ought not to do. While I know they would be very sympathetic with the purpose, I am afraid that it would jeopardize the appropriations which we have already provided.

I would therefore suggest to the Senator from Missouri [Mr. HENNINGS], inasmuch as Congress will reassemble in January, that he let the matter go over until January. If the Senator from Missouri desires to make a statement concerning the amendment and its purposes, that would be all right. However, I hope he will not insist on putting his amendment on this bill, because I believe it would be an unwise step for him to take, in view of the fact that Congress may adjourn in the course of a few days. At least we hope to do so.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. McKELLAR. It will be such a short time before we reassemble that I believe the provisions of the bill introduced by the Senator from Missouri would have a much better chance of enactment. I hope also that the Senator from Massachusetts, the acting leader of the minority, would feel the same way about it.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. HENNINGS. I am glad to yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I should like to say to the Senator from Missouri that the senior Senator from Tennessee has fully expressed the feelings of the Appropriations Committee. We felt that at this late hour of the present session, on the evidence which was submitted to us, we should provide what was necessary for immediate relief, and that the question of insurance and the question of indemnity could be brought forward at the next session, when they could be given careful hearings as new subject matters.

Mr. McKELLAR. By a legislative committee.

Mr. SALTONSTALL. Yes. I hope the point of order will be sustained.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Missouri [Mr. HENNINGS].

Mr. SALTONSTALL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Massachusetts will state it.

Mr. SALTONSTALL. Am I not correct in understanding that the senior Senator from Tennessee [Mr. McKELLAR] raised a point of order to the amendment offered by the Senator from Missouri [Mr. HENNINGS]?

The PRESIDING OFFICER. The senior Senator from Tennessee merely stated that he would make such a point of order, but he has not made it.

Mr. McKELLAR. I do not want to cut off the Senator from Missouri. I also wish to thank him for the kind words he has said about me. So far as the amendment is concerned, I do not want to cut him off. I imagine the Senators from Kansas desire to be heard also, and I would not want to cut them off. Therefore, I shall postpone making my point of order.

Mr. HENNINGS. Mr. President, if the distinguished chairman of the Committee on Appropriations will do as he has suggested, namely, withhold his point of order, I would appreciate very much having an opportunity at this time to make a statement relating to the amendment which I have offered.

I wish to express myself again to the chairman and members of the Appropriations Committee, particularly to the distinguished chairman, that I am grateful for his interest to the extent of having suggested that the bill which I introduced on August 1, 1951, S. 1935, and which is now before the Committee on the Judiciary, has received his sympathetic understanding and consideration.

Before the message of the President of August 20, which embodied the terms of the amendment I offered today, came to the Senate, I had offered a bill which was designed to provide payment for property losses resulting from the 1951 floods in Kansas, Missouri, and Oklahoma, and to establish a Flood Claims Commission. I take it that that is the measure to which the distinguished senior Senator from Tennessee referred a moment ago.

Mr. BUTLER of Maryland. Mr. President, will the Senator yield?

Mr. HENNINGS. Yes.

Mr. BUTLER of Maryland. Is there any precedent for the establishment of such a commission?

Mr. HENNINGS. Yes; there is. If the distinguished Senator from Maryland will bear with me until I have made a short statement, I shall go into that subject.

Mr. BUTLER of Maryland. I am very much interested, because I feel that if we are going to compensate people for every act of God, we will not have any money left in the Treasury.

Mr. HENNINGS. I may say to my good friends, the Senator from Maryland, that there is a precedent. The Philippine War Damage Claims Commission was definitely a precedent for the bill, S. 1935, which I introduced.

Mr. BUTLER of Maryland. Mr. President, will the Senator yield further?

Mr. HENNINGS. If the Senator from Maryland will permit me, I should like to proceed for a moment. There has been no flood so encompassing in its devastation and so disastrous in terms of loss of property and lives and human suffering, so far as I know, in the annals of recorded history.

We live in an age, as the Senator from Maryland fully appreciates, in which a precedent, while important in many instances, cannot be invoked in all realms because of the times and circumstances in which we live. This is not a geographical bill, designed to help one section of the country, to the detriment of other sections. This amendment would restore the economy and the lives, and would alleviate to some extent the impoverished condition of many persons in a large area of this Nation who know not where to turn. These stricken people are part and parcel of economy of the United States, not only in terms of citizenship, but through their contribution to the national defense and the economic soundness and security of the Nation.

Mr. BUTLER of Maryland. Mr. President, I can appreciate all that the Senator from Missouri has to say, and I do not wish, either, to deal in terms of sectionalism.

Mr. HENNINGS. I am sure the Senator from Maryland does not wish to do so.

Mr. BUTLER of Maryland. I have no interest in doing so. I have every sympathy for the people who have been stricken by this horrible disaster. However, those in that area have suffered many such disasters; and in the progress of time, perhaps they will suffer many more such disasters. Can we now establish the principle of setting up a claims bureau and providing it with Federal funds with which to pay for every act of God which occurs in this country? If we do, there simply is not enough money in the world to pay the cost.

Mr. HENNINGS. Of course, the argument the distinguished Senator from Maryland has advanced is not a new one. On the other hand, never

before have we been faced with the threat of total and complete domination by a totalitarian power, in a situation in which our security and our freedom are at stake; and we are going to do everything we can do to meet that threat, are we not?

Mr. BUTLER of Maryland. I can see no similarity between the two. In the case of the flood disaster we have an act of God, which is most unfortunate, of course.

Mr. HENNINGS. Mr. President, I should like to complete my statement, and then I shall be happy to yield again to the Senator from Maryland.

Mr. BUTLER of Maryland. Yes; excuse me, please.

Mr. HENNINGS. I am well aware that this measure establishes a precedent in respect to giving direct relief or indemnification to the victims of disaster. Let me call the attention of the Senator from Maryland and the attention of other Senators to the fact that the flood which devastated this area was the worst natural disaster in our Nation's history.

The Senator from Maryland asks whether every act of God is to be compensated by indemnification. I would say no, but I would say that a great deal depends upon the facts—upon the extent of the dislocation and the impairment of the normal functioning of our people in their individual and their collective pursuits, particularly in these desperate times when we are marshaling our people and our resources and the best that is in us to meet the threat which now hangs over Europe and the Asiatic Continent like a dark cloud.

Mr. BUTLER of Maryland. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MONRONEY in the chair). Does the Senator from Missouri yield to the Senator from Maryland?

Mr. HENNINGS. I am glad to yield.

Mr. BUTLER of Maryland. I do not feel that the extent or magnitude of a disaster has anything to do with the question of whether the Federal Government should compensate for it. If we are going to establish the principle of compensating individual citizens against disasters which are acts of God, then where are we to stop?

Mr. HENNINGS. I will say to the distinguished Senator that I do not know where we are to stop; but—

Mr. BUTLER of Maryland. If we are going to do it in the case of a large disaster, why should not we do it in the case of a small one?

Mr. HENNINGS. I do not know where we are to stop; but I know where we need to start, and it is right here.

I do not know whether the Senator from Maryland received from the distinguished artist, Thomas Hart Benton, the grandnephew of a great Senator from Missouri, one of the drawings or lithographs which I now hold in my hand. I know they were sent to many Members of the Senate. Those of us, including the senior Senator from Kansas, the junior Senator from Kansas, and other Senators who serve on the Committee on Public Works or on the

Appropriations Committee, and who toured the flooded area, know that this lithograph delineates most graphically, and without drawing too much upon the artist's imagination, the condition which exists there.

Let me say to the Senator from Maryland that those of us who have been there and have seen with our own eyes the devastation wrought agree with the statements which Thomas Hart Benton makes in the letter he appended to this graphic illustration of conditions in the flooded area. The lithograph indicates what happened to one small family and its home. We saw that situation multiplied time after time in that area.

I think it might be of interest to the Senator from Maryland and to the other Members of the Senate for me to read what Thomas Hart Benton, a distinguished American artist, had to say about the situation there:

DEAR SENATOR HENNING: "The Foxes," you will remember from your Sunday School days, "have holes, and the birds of the air have nests; but the Son of Man hath not where to lay his head."

It is now more than 90 days since the floodwaters hit the valleys out here. Ninety days of wrack, ruin, muck, and stink.

The attached lithograph shows what things are like, as of this day, for thousands of poor, hopeless "sons of man" in the Kaw River Basin. It was made for you and your fellow Members of the Eighty-second Congress. It is not for sale.

It is given you in the hope that you will forget the academics of precedent and get out a new bill which will relieve the human side of this rotting catastrophe.

Truly yours,

THOMAS H. BENTON.

Mr. President, I do not undertake to predicate what I have to say today solely upon the human and the humanitarian considerations, although of course these are always of the utmost importance in a Christian civilization.

However, I say that in the justifications which have been filed before the Appropriations Committee, Mr. Howse who is Mr. Charles E. Wilson's assistant, acting under direction and with the concurrence and approval of Mr. Wilson, said that he considered the rehabilitation of this area by indemnification essential to the national defense effort. I am not asking, by means of this amendment, as the Senator may have observed, for any insurance plan or for any of the features of the so-called insurance plan. However, Mr. Howse, Mr. Wilson's deputy, said that he considered the rehabilitation of this area and putting its people back on their feet and back to work and back in their homes a basic and essential requirement in our effort for national defense.

If the Senate will bear with me for just a moment, I should like to make a few remarks in relation to the amendment, which, as I have said, embodies, except for the insurance feature, the provisions of the recommendations sent to us in the President's message of August 20. I know that I speak not only for myself, but also for all those in the flood-stricken areas, and I also have assurance that I speak for my distinguished colleagues, the two Senators from Kansas, who are on the floor at

this time, when I say that I express our sincere gratitude for the action the United States Senate has taken in the past in coming to the rescue of this large area in the Middle West, comprising about one-fifth of the total area of the United States, which was so severely hurt—to say nothing of the national impact of this disaster upon the country at large.

The Senate took prompt action upon the \$25,000,000 disaster relief loan. The Senate took prompt and effective action upon the amendment to the Disaster Relief Act, to provide for temporary housing. The Senate took prompt and effective action upon the amendment which I offered, to liberalize the terms for Federal housing loans.

I may say in that connection, Mr. President, that I had the support of both of the distinguished Senators from Kansas, who are on the floor at this time. We have been working together. We appeared before the Appropriations Committee. I wish to thank them for allowing me to work with them and for their substantial contributions to our efforts to obtain some long-overdue action, and to make assistance available to the people who now are burdened down with hopelessness, misery, and despair as a result of these floods visited upon them by the hand of providence.

I am sure all Members of the Senate are familiar in general with the scope of the flood area and the devastation wrought therein. Yet unless it has actually been seen at first hand and unless one has actually talked to the people, it is almost impossible to comprehend fully or to understand the impact of this disaster—the worst disaster of its kind in the Nation's history.

There are those who talk about precedents. There has been no precedent for the magnitude and the enormity of this scourge which has been visited upon us. In my humble way and with my small voice I, along with the other Senators from this area, am trying to speak for these people, to say a word for them, because they are looking to the Congress of the United States for help. They are not beggars, they are not paupers; they are American citizens—as good Americans as any in this free land of ours today. They know not where to turn. They know not where to lay their heads. They know not where to live. They know not where to work.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. HENNINGS. I am very glad to yield to my distinguished friend from Kansas.

Mr. CARLSON. Mr. President, I appreciate very much the appeal which the distinguished junior Senator from Missouri is making to the Senate this afternoon in behalf of the flood sufferers, who lost everything they had, including possessions which were the result of a lifetime's work, in this disastrous flood; and I want to associate myself with him in urging the Senate to give consideration, and serious consideration, to his amendment.

The devastation and loss which took place there can be fully appreciated by

only those who have had an opportunity to visit the flooded area, as the distinguished Senator from Missouri, the Senators from Kansas, and many other Members of this body had an opportunity to do after the flood waters had receded. They visited the devastated areas; they drove through the streets of stricken towns and cities; they smelled the terrific stench arising in many places; and yet they saw those people returning to what had been their farms and homes. That showed the spirit animating the people of Kansas and Missouri and of that entire section. It seems to me that we ought to try to assist them in every way possible to rehabilitate themselves, not only in the interest of the local communities and of the States, but of the Nation itself.

Mr. HENNINGS. I thank my good friend, the distinguished Senator from Kansas, for his contribution. While pictures are inadequate to describe the full extent of the ruin and misery, I have some pictures before me, which many Senators have seen, and which those of us who have traveled over the area and who have been through it several times since, as we all have, have found to be inadequate, and understatement or underrepresentations rather than overrepresentations of the case. I know that the Senators from Kansas will agree with me that much of this area is at a standstill in terms of resuming normal occupations, that thousands of people are still out of their homes, that small businesses as well as large ones have been closed and may never reopen, and that there is no means available, with the exception of certain loan provisions by which real recovery can be undertaken in that area.

Mr. SCHOEPPPEL. Mr. President, will the Senator yield?

Mr. HENNINGS. I am glad to yield to the distinguished senior Senator from Kansas.

Mr. SCHOEPPPEL. I should like to ask the distinguished Senator from Missouri whether it is not also true that this was one of the greatest and most devastating floods ever to occur in that area, according to the known records, or according to records which have been kept by the Army engineers, and according to recorded data which have been passed down to us?

Mr. HENNINGS. I may say to the distinguished Senator from Kansas, it is my understanding that the flood of 1844 was one which approached it in magnitude, though, of course, the area at that time was in a state of development totally dissimilar to the highly concentrated agricultural developments and business pursuits and industrialization of later years. A great deal of it was simply wooded wild area, and the pioneers were then penetrating that region, to establish their homes and to found towns and communities.

If I am not mistaken, there was another great flood in 1851 which, so far as the records show, almost approached in magnitude the flood of 1951. But I believe that we are safe in saying certainly that in terms of damage to life and property, the flood of this year is

without parallel in the history of the United States.

Mr. SCHOEPPPEL. If the Senator will indulge me further, I should like to ask him this question: Since it was the largest flood in that area, surpassing the 1903 flood and the minor floods which, of course, have been disastrous, within the past 10 or 15 years, it has established another flood plain within this area, including cities and river valleys. Is that not true?

Mr. HENNINGS. That is my understanding. The Senator from Kansas is entirely correct.

Mr. SCHOEPPPEL. I should like to ask the Senator another question, a series of questions, indeed, because I think it well for us to have the facts in the Record. Is it not true that within the limits of the flood of 1951 there are several thousand people who have completely lost their entire life's savings—and by that I mean their homes and their businesses and that they have been completely wiped out?

Mr. HENNINGS. The Senator is entirely correct. There are hundreds and hundreds of people who have lost their homes and all their earthly possessions, who have no further borrowing capacity, and who have absolutely nowhere to turn.

Mr. SCHOEPPPEL. I should like to ask the Senator another question. Have we not been informed—and by this I do not mean to be critical—by the representatives of certain of the lending agencies of the Government, the only agencies to which hundreds and perhaps thousands of these people can turn, that within this flood area or zone they could expect no financial relief by way of guaranteed mortgages or loans upon their properties, if they expect to rebuild or request rehabilitation within the areas?

Mr. HENNINGS. I may say to the distinguished Senator that I have in my office, as I am sure he has in his office, many letters indicating that the people have made applications for loans and have made every effort they could to pull themselves up by their bootstraps, but that no agency exists which has the authority to make provision for the things which must be done, and which should be done now, if these people are to be saved.

Mr. SCHOEPPPEL. I should like to draw the Senator's attention to one other thing, which has made a terrific impression upon me. I have taken a little time and trouble to go into that area and to get all factual information and all the data I possibly could. I recognize that the measure which is before us is an emergency type of legislation, and that it cannot be fully explored in all its various angles, and I realize that, of course, we shall have the opportunity of studying it further at the beginning of the next session; but my attention has been drawn to the fact that within, let us say, five States, Missouri, Kansas, Arkansas, Oklahoma, and Illinois, 25,295 homes were either drastically damaged or entirely destroyed. On the basis of the records which I obtained from the Flood Relief

Rehabilitation Committee of that area, which is a very fine committee composed of earnest men who tried to get together as much factual information as they possibly could, and as quickly as possible, it is shown that there were 22,142 homes in the Kansas area which was affected by this flood and that the number of tenant-occupied homes so destroyed or badly damaged in the Kansas area was 9,442.

I want to mention one other thing. Naturally I have wondered what is going to happen to the people who are past the productive period of their lives. Perhaps those who are around 65 and perhaps close to 70 would not like to admit it, but the fact is that the expectancy tables of the life insurance companies do not give anyone who has attained the age of 70 or 75 too much of an expectancy, too much allotted time. There are within the flood area thousands of people over 65 years of age, and as a matter of fact, over the age of 70 who have suffered complete loss of everything they possessed. I should like to ask the distinguished Senator whether there is going to be a possibility that those people will be able to avail themselves of, let us say, the most generous loan policies which have been offered on the basis of 10- or 20-year amortization. Does not the Senator feel that those elderly people who have lost their homes and all their savings and all their personal property should be taken care of, somewhere down the line, by some type of relief which at the present time is apparently beyond the pale so far as they are concerned?

Mr. HENNINGS. I may say to the distinguished Senator from Kansas that I most certainly do; and from his recital of the facts, there is no chance on earth for an elderly man or an elderly woman in the sunset of life ever to amortize or pay off a loan within their life expectancy. Some persons prate about precedents in this day of change, in this day of precedent shattering, but I think that if they were to have to face this problem as the people in the devastated area have had to face it, they would realize that it is in keeping with the great spirit of the United States, in keeping with the great heart of our people, and entirely consistent with our ideals and our understanding of the obligation of one citizen to another and one section of the Nation to another, to take such action as the occasion warrants and demands to give direct aid now to fellow Americans who have no place to turn except to the Congress of the United States.

The Red Cross has done much, of course; other agencies have done a remarkable and splendid job; but there is no way that I can see to handle the situation except the way in which I have suggested. I should like to have the concurrent and assembled judgment and wisdom of the Senate consider it. If we do not take action along the line suggested by my amendment, what are we going to do?

It is true that the distinguished chairman of the committee suggested that the bill which I introduced before the President's message came to the Congress

would have his sympathetic consideration as well as that of other Senators. That offered one approach to the problem through the creation of a commission. It was an authorization bill, but it was thought and concluded by the office of Charles E. Wilson and by his deputies and others who gave the problem consideration that it would not provide the swift relief and immediate help which were needed. So the bill has remained in committee, and, following the President's message and the action of the House, this amendment is offered today.

If the Senator from Kansas will indulge me a moment so that I may make a brief statement, I shall be very happy to yield to him further.

The emergency disaster appropriation has been of tremendous benefit in meeting the most immediate and urgent needs arising out of the flood. It has served to relieve human suffering, provide temporary shelter, food, clothing. It was used to restore transportation and communication facilities and for public health measures to prevent disease and epidemic. This is in no sense, however, a complete answer. The problem which we are faced with is one of economic rehabilitation. Here we are confronted with a large and highly productive area of our country which is still suffering from paralysis. Business and industry and agriculture which were completely immobilized must be restored to full capacity. So long as farmers cannot produce, so long as business and industry remain crippled, so long as wage earners remain unemployed and their skills idle, there is a serious threat not only to the economy of that area but to the economy of the entire Nation. Loss of productive capacity, particularly on defense contracts, the ruin of crops, destruction of livestock, and the disruption of normal business activity are all factors which as a Nation building for defense we simply cannot afford. We must face up to the situation and we must solve it with bold and constructive measures.

On August 1, I introduced Senate bill 1935, the Flood Claims Act of 1951, to provide a measure of indemnity for losses suffered in the 1951 floods. As I pointed out at that time, while the measure represented a new concept of meeting disaster in this country, it was patterned after the method used in the Philippine Rehabilitation Act creating a War Damage Commission, as I told the Senator from Maryland [Mr. BUTLER] a few moments ago, which was authorized to make compensation for physical loss or damage to certain kinds of public and private property occurring in the Philippines as the result of World War II. Direct rehabilitation of a somewhat similar nature was provided by the Federal Government in the emergency land conservation measures and direct financial aid to meet the national disaster caused by the severe drought in the thirties. Where a national disaster occurs of such proportions that the resources of the individuals and communities and States affected are inadequate to meet the need and where the impact has such a stag-

gering effect on the national economy, I can see no alternative except for the Federal Government to provide help.

The major features of my indemnification proposals were incorporated in the message which the President sent to the Congress on August 20. In his message at that time, the President said that the indemnity proposal "will revive the region of the Nation now badly hurt—a region of such importance to the security and welfare of the whole country that its revival must be the immediate concern of all of our citizens." The measure which has been passed by the House (H. J. Res. 341) provides assistance in the form of loans but does not include either the provisions for indemnity or the insurance provisions recommended by the President. In that connection, I should like to quote briefly again from the President's message.

Loans, even on liberal terms, are not enough to meet this situation. People who lost their homes, farms, and businesses now have little or no security to offer a lender. Very few, if any, individuals or businesses had any insurance protection against their flood losses. Generally speaking, private insurance companies have not offered such protection because of the uncertain nature of the risk. Consequently, many people were left after the flood with nothing, or with nothing but their debts. If they could borrow more, new loans added to the old ones would create a debt burden that for an indefinite time to come would be a drag on the economic vitality of the region and would impair its ability to contribute to building our national security.

For the record, let me point out the damage occurred in an area extending a thousand miles in length. The loss was estimated at \$2,500,000,000. Some 5,000,000 acres of land were inundated and 30,000,000 acres suffered erosion. Almost 140 communities were inundated. Of the 385,000 people who were displaced persons at the height of the flood, about 15,000 families are still, almost 3 months later, unable to return to their homes. The loss to the Federal Government in tax revenues has been estimated at \$250,000,000. In addition to the figures representing physical loss which can be cited, there was also the loss of hundreds of thousands of man-hours on a farm and factory output, which probably cannot be estimated.

I have pointed out that where the disaster is of such magnitude that it cannot be met by the resources of the area involved, the Federal Government must step in. It is of equal importance, I believe, to point out that the Federal Government has a direct responsibility because it has failed to provide the necessary protection by means of an integrated, comprehensive water program. Jurisdictional disputes and interagency differences have operated to delay realistic planning. The Missouri Basin States have not been blameless certainly in this respect and their substantial disagreement on plans and methods has further retarded constructive action. But I feel that the main responsibility lies with the Federal Government because in a program which must, of necessity, be as extensive as this and which crosses so many State lines, the

initiative is properly a function of the Federal Government.

Mr. President, I desire at this point to call attention to certain letters which have been written to me by people in the flood area. One writes:

I am writing in behalf of the flood victims in Kansas City who are now homeless and destitute and for the most part out of work for the present. I do not live in the flooded area, but I cannot help but feel that our Government is letting these helpless victims down. Can't something be done to make Government grants to these victims of circumstances? These Americans are most certainly entitled to aid and I do not mean in the form of loans with interest. Surely, in the name of common decency our Government could shear off a bit here and there and make it possible to find enough money to help these people of this horrible dilemma.

Another citizen writes:

The rehabilitation of our own people, many of whom are financially ruined, homeless, and without clothing or shelter, certainly should come first. Aren't we letting them down? These people are paying huge taxes to Uncle Sam—why can't Uncle Sam now take the matter in hand and do something for them? The situation is appalling and I do hope that our lawmakers will realize the urgent need and do something about it.

Another letter says:

I am looking to you to be a strong voice in the cry for the help that is so urgently needed—and for people who are so very worthy. To be washed out of your home and ruined overnight is certainly a horrible catastrophe—and these unfortunate victims must be helped. Surely we don't intend to just say 'too bad' and drop the matter. Let's have the dams, the reservoirs—and the Government grants for those who need rehabilitation. These Americans, mostly of the great middle class, the very backbone of our country, need help and must have it.

The following was written by still another victim of the flood:

I am taking this opportunity to try to explain my grievances regarding the losses and damage to my home caused by the flooding Missouri. I feel the time has come when something should be done to reimburse us for our losses are getting greater and the flood worse and more often than ever. I have lived in the Missouri River bottom for 51 years, moving here with my father in 1901 when I was 8 years old, and our first flood was in 1903. I am a widow all alone, with an aged mother of 89 to care for, and no one wants to hire someone of my age. Although I do housework at a small pay, we can exist but have no money for repairs or to replace our losses.

Another letter says:

There are many hundreds of small-businessmen, working people, and farmers who would be bankrupt if some assistance were not given to them in reestablishing their homes and businesses by an outright grant of funds. Our country has given many billions of dollars to other peoples in aid. We could not, in good conscience, stand by and see our own people ravaged by this terrible catastrophe, without extending to them the same helping hand we have extended to others.

Another citizen has this to say:

We know that you know more about the subject than we do, but we felt that some relief should be given (grant aid) to the (1) home owner who lost his home, (2) the businessman whose business was flooded, (3) the farmer whose farm was devastated.

We certainly hope that enough of the lawmakers in other sections of the country will join with the lawmakers in the Middle West to work out some relief legislation especially for "little people," who have suffered the most.

From another letter I quote the following:

The pictures and write-ups only partially tell the story * * * no one can actually realize the suffering and privation of the thousands of individuals—as well as the great financial loss caused by the disaster—unless you actually visualize the damaged area. The people are now "digging in" in an effort to reconstruct their homes, their businesses and their communities but they need help desperately. Immediate action should be taken to help these people, many of whom had homes, farms, and small businesses in the lowlands of Kansas and Missouri that were completely wiped out.

Still another letter says:

We, as a nation, spend and give billions of dollars each year to people of other countries so it would seem very appropriate that the people of our own country be given protection and help, especially since the Government agencies erred in giving assurance that the flood would not happen. It is all quite tragic—so please do something to (1) see that immediate relief is provided for those whose homes and businesses were wiped out or suffered severe losses, (2) see that immediate steps are taken to see that this disaster is not repeated.

Mr. President, I had not desired to take as much time as has been taken today on this matter, but to some of us the absolute and imperative need for the passage of some such measure as the amendment now before the Senate seemed so plain, and so essential, that we thought it must be readily accepted in the minds and the hearts and consciences of our colleagues in the Senate.

Mr. President, there has been some discussion of the basic governmental principle upon which indemnity can be provided, and I shall have a few words to say about that, with the indulgence of the Senate.

Our friends in the House have characterized the proposal to provide indemnification for flood victims as a major departure from the usual concept of government, and they ask us to delay action until there can be a more extensive study than is now possible.

In terms of what the House has failed to do, I ask unanimous consent to have printed at this point certain estimates offered by Mr. Howse, personal representative of Charles E. Wilson, Director of Defense Mobilization, who appeared before the committee, the justifications concern grants to farm families unable to obtain loans, indemnity to farmers on their individual farms, indemnity to home owners and to small business, are not given the assistance they so urgently need under the resolution as it passed the House and as it has been reported to the Senate.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Missouri?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

Schedule of payments: The program proposed here is frankly discriminatory in that

it is confined to those who cannot achieve economic recovery without direct financial assistance.

Grants to farm families, \$1,750,000 (to farm families unable to obtain loans for livestock, repair or replacement of essential farm equipment, household furniture, etc.).

Indemnity to farmers, \$34,810,000 (to provide indemnity for fences and farm buildings, fixed machinery, and other immovable equipment).

Indemnity to home owners, \$60,000,000. (This is calculated on the basis of estimated damage to urban and rural residential property. Reconstruction aid is likely to run to 80 percent of the total damage. It would be distributed among approximately 40,000 owners, very few of whom have any financial resources with which to rebuild.)

Industrial and commercial, \$75,000,000. (Since the bulk of the damage in this category was inflicted upon large property owners, many of them with millions of dollars of loss each, the number of claims for reconstruction help would be relatively small as compared to the farmers and home owners. It is estimated that 5,000 businesses would need help. Payments on the formula suggested, therefore, would amount to little more than \$15,000 on the average.)

Mr. HENNINGS. Mr. President, this is a matter which cannot wait. The people in the flooded area need help, and need it now. I respectfully suggest that there have been precedents, which I mentioned earlier in my statement. In any case, I submit that we cannot shrink from setting new precedents or taking new steps. That we recognize an obligation to take care of the flood sufferers in an adequate manner, and that we act to assist our people, seems to me to be a mark of maturity and of high civilization. We are not savages, and we are not backwoodsmen. We are the national policy-making body of the most powerful nation in the world, and I hope that the Senate will meet its responsibility realistically.

I ask unanimous consent to have printed following my remarks an editorial from the Kansas City Star of Thursday, October 4, 1951.

The PRESIDING OFFICER (Mr. PASTORE in the chair). Is there objection?

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE FLOOD BILL FALLS SHORT

The flood relief bill recommended by the House Appropriations Committee has missed the mark completely.

It provides additional lending money to farmers, businessmen and those who have the assets to build homes, which is all to the good. It provides a \$5,000,000 drop-in-the-bucket increase to the \$25,000,000 relief fund for aiding governmental units, which is wholly inadequate to get the cities, counties, and townships on their feet.

The members of the committee apparently failed to comprehend the scope of the flood disaster. There was seemingly no realization that tens of thousands of people lost all their possessions. The bill has a blind spot for those who need help the most.

When Mayor Clark E. Tucker of Kansas City, Kans., learned the provisions of the bill, he asked: "Where do the people come in? I thought Congress was going to do something for the little man."

A tour of Armourdale today still shows heartbreaking sights nearly 8 months after the flood. Abandoned homes still are filled with debris. The owners have had no means

to restore them. The former occupants are living in basements, with relatives, or moving into the new stop-gap trailer camp. Along with thousands in other communities they cannot be restored to normal life without assistance—and this is what the committee overlooked.

The Red Cross reports 25,000 applications for assistance on file today from 77 flood-damaged counties. Some 8,000 are in Wyandotte County. Relief to this group in the proposed bill would be negligible.

When the committee reported that its bill met "fully the needs of all classes of victims in the area—the farmers, the home owner and businessman," it was talking through its hat. There is great disappointment that the committee chose to throw out all recommendations for grants-in-aid and the Federal flood insurance that would have been economic protection against future disaster.

The committee has failed to appreciate that those who needed Federal assistance the most were the heads of families, workmen who now are receiving some subsistence from the Red Cross and local agencies, but who cannot resume their former home life without much more help than the bill proposes. Many already are in debt, and it is impossible for them to make down payments on homes even under the liberal terms offered.

Additional appropriations to the Department of Agriculture and the Farmers Home Administration will be of assistance in restoring farms to productivity. It is the cities and towns that will suffer.

Unless the bill can be broadened in its course through Congress, the meaning will be that the Federal Government as the chief source of aid has failed to provide the needed help, and that local communities must try to meet the demands through the winter to the limit of their resources.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. HENNINGS. I am very glad to yield to the Senator from Washington.

Mr. MAGNUSON. I was interested in what the Senator said about the question of integrated river developments. As the Senator from Missouri well knows, I am sure we of the Pacific Northwest have been a little more fortunate in our efforts to develop the great river systems than have those in other areas.

I recall that in the early days of the integrated river development the Senator from Missouri was a distinguished Member of the House of Representatives. I recall his zealous devotion to the idea that the Federal Government would aid all the States in the river valleys in the development of the rivers.

The Senator placed the damage caused by the recent flood at two billion and some million dollars. It is more than that, when we add up all the figures. I am sure the Senator will agree with me that had we spent in the early days one-half the amount he has mentioned for the development of the great river basins of the United States, particularly in our area of the country, we would not only have saved half the money lost, but much of the suffering and the damage would have been avoided.

The Senator from Missouri has always been in favor of the development of these areas, and I think this points up the fact that Congress should realize that, not having done what we should have done in regard to our natural resources and the natural wealth of the

country, we now have to handle the matter as an emergency, because we did not act before.

Mr. HENNINGS. Mr. President, I thank the distinguished Senator from Washington for his kind and generous remarks. He and I served together in the House of Representatives in the thirties as did the distinguished junior Senator from Kansas [Mr. CARLSON]. We have long been mindful of the fact that the Senator from Washington was one of the leaders in a movement to bring some integration into the plan for flood control, irrigation, reclamation, power development, and all the other phases of the great water-resources program, which, unfortunately, are still for the most part not even in the blueprint stage.

Mr. President, I yield the floor.

Mr. SCHOEPPPEL obtained the floor.

Mr. SALTONSTALL. Mr. President, will the Senator from Kansas yield?

Mr. SCHOEPPPEL. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I should like to ask the senior Senator from Louisiana [Mr. ELLENDER], who is acting chairman of the Committee on Appropriations, whether he intends at this moment to make a point of order against the amendment of the Senator from Missouri. If he does, I understand that the Senator from Kansas has another amendment he will offer, but if the Senator from Louisiana does not intend to make the point of order, I should be glad to have the information now.

Mr. ELLENDER. Mr. President, it was my purpose to make a point of order, but I understood the Senator from Kansas desired to say a few words before that was done.

Mr. SCHOEPPPEL. Mr. President, I thank the Senator. I desire to speak briefly on the matter presented by the distinguished junior Senator from Missouri, whom I wish to commend for pointing out to the Senate, as he has today, certain phases and aspects of the flood-relief legislation as he has offered it for the consideration of the Senate.

Of course, I understand that a point of order will be made against the amendment, as has been stated, and from a procedural standpoint I have no quarrel with that. It is perfectly within the realm of procedural approach to do that.

I am heartened by what was said by the distinguished chairman of the Committee on Appropriations in a colloquy with the distinguished Senator from Missouri, to the effect that there might be other opportunities in the near future, at the beginning of the next session, when these matters might receive fuller and more complete consideration, and when an opportunity will be afforded to those of us in the Senate who are vitally interested to present our views to the appropriate committees, to submit more detailed information and data in support of some type of relief legislation insofar as it pertains to this type of disaster.

I commend the Senator from Missouri for having so zealously pursued this subject. As he has pointed out, a number of us, not only those from the States

immediately affected, but also other Members of this body and of the House of Representatives, from other sections of our Nation made trips to the flooded area when the flood had recently subsided.

I wish to say most earnestly that while efforts may be made to describe the situation, it beggars description. To some of us who have gone through the area, and have observed with our own eyes the desolation and ruin which have followed the flood, conditions seem absolutely unbelievable. Probably for years to come some of the flooded areas will be blighted and desolate, so far as the people who lived there are concerned.

I am seriously concerned about the group of individuals who are on the sunset side of life. There are families who have labored for a good many years and have saved a few thousand dollars, which they invested in a home. Perhaps they were trying to provide for their own social security by buying another modest little house, fixing it up, and using it as a source of income. Perhaps a family might have had a little place of business. Many of those people are between 60 and 70 years of age. For hundreds of them all is now gone. There is not much for them to look forward to in the way of long-term loans, because, as was brought out in the colloquy between myself and the distinguished Senator from Missouri [Mr. HENNINGS], the agencies of the Government which have the responsibility or ability for lending money on such properties are staying out of the flooded areas, which are now at a higher level than they have ever been before. I mention these things because I think there is a zone of relationship into which the Congress, in its wisdom, after proper review and study, should move by way of assistance.

The problem is too big for the average city. It is much too large for the States, when we think in terms of the hundreds of millions of dollars of losses. The losses total more than \$2,000,000,000 by reasonable estimates.

I should like to point out something else to my distinguished colleagues. This is the most devastating flood that has occurred in those valleys for more than 100 years. The crest of the flood has been higher than that of any flood which has struck that area in more than a hundred years. During the past several years the people were led to believe that the flood control projects which were sponsored by certain governmental agencies, some of which projects were in the course of being developed, would protect them. Of course, the projects had not yet reached the stage at which funds were available to furnish the big flood control projects which might have saved this area from the present devastation. However, the people who lived in some of the areas, and who had established homes and businesses there, were led to believe that they had flood protection, and that the crest of any flood would not reach them—but it did.

I point out most earnestly that thousands of those people have lost practically all of their personal effects and personal property. I think it is only fair

to point out that in those areas the people were told in many instances that the crest of the flood would never reach them and that they could depend upon the levee systems which had theretofore been established. Most of them relied upon such assurances. Obviously, when the high crest came they did not have time to move their personal property out of the area. They were lucky to get out themselves. Thank God, there was not the loss of life that there might have been had the flood struck at a more inopportune time, or had the people not had a few hours' warning with reference to the high crest.

It is some of these things that support the distinguished Senator from Missouri in saying that while there may not be precedents to which we can point there is a necessity for consideration of some form of relief along the line which the distinguished Senator has pointed out.

Mr. HENNINGS. Mr. President, will the Senator yield?

Mr. SCHOEPPPEL. I am glad to yield to the Senator from Missouri.

Mr. HENNINGS. May I ask the Senator if it is not his judgment that the full-time or long-term ultimate result in loss of life, serious illness, and perhaps chronic illness, resulting from malnutrition, respiratory diseases, and other things which are likely to come upon this area as a result of the setting in of winter cannot at this time be calculated?

Mr. SCHOEPPPEL. I think the Senator is absolutely correct.

Mr. HENNINGS. In other words, we are not through with the effects of the flood.

Mr. SCHOEPPPEL. The Senator is correct. I do not profess to be a sanitary engineer or an expert on health matters, indeed; I know very little about the subject; but when I was Governor of my State I tried to have a very high regard for the essential requirements and remedial measures which should be taken along that line. I have been told by people within that area who are skilled in the medical field that if the winter should be rigorous we would encounter exceptionally high percentage of breakdown in health and physical conditions of many of them.

I think it is a very fine thing that the efforts of the Federal agencies, the officials in the cities and States were able to consolidate all efforts immediately following the flood and to hold pestilence and disease down to a very small minimum. That is most commendable, in face of the large areas that had to be covered.

Mr. HENNINGS. I thank the Senator.

Mr. SCHOEPPPEL. Mr. President, I have been in the Senate for only a little more than 2½ years. While I have been here I have participated, by way of voting, in some pretty important legislation. In this Chamber, as well as in the Chamber on the other side of the Capitol dome, men rose and heralded to us, to the country, and to the world the necessity for a generous America, an America generous to the other nations of the world and to the peoples who, it is said, were in difficult circumstances and were facing

devastation and ruin, with no opportunity for rehabilitating themselves.

What did we do? How many times did we look in the statute books, or look for precedents? We did not look for too many of them. Yes, we acted and we spent money in such amounts that I hate to state the total. When I look back and see what we have done for other nations of the world in the way of grants without any strings attached to them, I wonder if perhaps one might properly say, "I am sorry that this great area in continental United States, in the heart of the Nation that was visited by this flood, did not happen to be in Ethiopia, in Italy, in Greece, in Indochina, or somewhere else." In that event we would not have thought about precedents. Precedents would not have been mentioned, as we have heard them mentioned today. Of course, I agree that any relief along these lines should be carefully and thoroughly screened and acted on only on the basis of need; but that can be done.

Mr. President, charity ought to begin at home. I hope that I am not entirely provincial in my thinking or speaking. However, I call attention to the needs of individuals who are between 60 and 70 years of age, and who have nothing to look forward to. The ones who have lost all they had. They do not want to be continually in the position of accepting hand-outs. Let me say candidly that the Red Cross and the other agencies of the Government have done a fine job. However, as will be pointed out by my colleague from Kansas [Mr. CARLSON], who intends to offer an amendment which I shall support, the Red Cross is planning to withdraw from that area in a short time. Winter is coming on. We are confronted with a situation in which we shall need greater flexibility of approach by way of funds, and greater flexibility of approach in the form of assistance. I do not believe that such proper consideration can be attained within the confines of the pending resolution unless a broader coverage is permitted in the case of those who find themselves in the circumstances which I have described, namely, without homes, without goods, without personal property with which to go ahead, and many of whom are beyond the limitations to which some of the agencies of government can go with the funds which they have. I honestly feel that we must make some provision for them. We can do so by adding to the pending legislation some greater amounts, and a greater degree of flexibility of operation.

Mr. President, the members of the committee have done a fine job. This has been a "hurry up" piece of legislation, and I commend them for bringing the legislation to the floor of the Senate as quickly as has been done. When we leave here there will be a period of a month or two before the next session begins. If under the operation of the pending legislation which will be passed we find that we are not covering hundreds of the cases under consideration, I think we should then offer something for the attention of the next session of Congress, something which will offer a

greater degree of opportunity to meet the actual needs in a most practical way.

As I stated a while ago, this area will be blighted for years. I realize that we cannot get all the factual data together in a short period of time. The full impact of this catastrophe will not be apparent for months, or perhaps for a full year. However, an atmosphere of hesitancy, uncertainty, and blight has descended upon practically all these badly flooded areas.

I do not want to leave the impression that those people are not resourceful or that they lack courage and faith to fight their way back. They are doing that. But, there is a class of people who are not blessed with ample finances and the better things of life. I do not know what they are going to do during the period before we can provide the proper funds or the flexibility in the administration of this assistance which I think we should have provided for in this measure. However, those who considered the measure could not see their way clear to go as far as the Senator from Missouri would like to see them go, in accordance with the amendment which he has offered.

In conclusion, Mr. President, I hope the joint resolution can be amended along the line of the amendment I know my distinguished colleague will offer. I think it is a fair approach, an honest approach, and a necessary approach, and I am hopeful that when my colleague from Kansas presents his amendment it may receive the majority vote of Senators who see fit to vote in favor of this proposed legislation and that a point of order will not be made against it.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. SCHOEPPPEL. I am glad to yield to the distinguished Senator from North Dakota.

Mr. LANGER. I wonder whether the distinguished Senator from Kansas read an article in the New York Times of last Sunday morning entitled "United States Point 4 To Aid School in Dominica." It shows the difference of treatment, as the distinguished Senator has stated, between what is being done for people outside the United States and for people within the United States. The article reads:

A national training school for 150 boys is to be established in the Dominican Republic under the point 4 program, according to the Dominican Republic Bulletin. The cost will be shared equally by the United States and the Dominican Republic.

The article goes on to say:

The new school is to be known as Servicio Cooperativo and it will be under the direction of an educational expert from the United States. It is estimated that the cost of maintaining the institution will range from \$150,000 to \$200,000 a year, equal parts of which will be borne by the United States and the Dominican Republic.

In other words, for the boys who will be sent to this so-called training school in the Dominican Republic our country is going to pay roughly \$100,000, year after year, which would be roughly \$750 for each of the 150 boys to be admitted.

My mind goes back to what the distinguished Senator said about a young couple, perhaps, in Kansas or Missouri, who have been flooded out, with all their household goods gone, and no provision made for getting anything like \$750 a year, year after year.

I wish to commend my distinguished friend for the very fine argument he has made in behalf of those very unfortunate people.

Mr. SCHOEPPPEL. I appreciate what the distinguished Senator from North Dakota has said. Unfortunately, as I see it, we have not been as generous to the people living in a stricken area in the United States which has suffered so badly, as we have been to people in many areas outside the continental confines of our great country.

Whether right or wrong, the fact is that we are now confronted with a situation with reference to which I hope we can take the action which is imperative before too much time elapses.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Missouri [Mr. HENNINGS].

Mr. McKELLAR. Mr. President, under instruction from the committee I am compelled to raise the point of order to the amendment, although I dislike very much to do so.

The PRESIDING OFFICER. The Chair sustains the point of order on the ground that the amendment is general legislation.

Mr. CARLSON. Mr. President, I offer an amendment and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 3, line 3, it is proposed to strike out "\$5,000,000" and insert in lieu thereof "\$8,000,000, of which \$3,000,000 shall be available for expenditure by the President under the act of September 30, 1950 (Public Law 875, 81st Cong.), and through such Federal agency as he may designate for the purpose of making grants to States to enable such States, acting through their public-welfare agencies, to furnish public assistance to families whose need for such assistance has been caused or aggravated by the floods occurring in the midwestern portion of the Nation in July 1951: *Provided*, That no such grant shall be made to any State unless the President determines that the State and the local governments within such State are making an appropriate effort, consistent with their available resources, to cope with public-assistance requirements resulting from such floods."

Mr. McKELLAR. Mr. President, I shall be obliged to make a point of order against this amendment also, but I withhold my point of order until the Senator from Kansas has had an opportunity to speak on his amendment. I understand fully the situation in which the two Senators from Kansas find themselves. They are doing everything they possibly can, and no other two Senators have ever done more in behalf of their State in a time of great disaster than have the two distinguished Senators from Kansas.

They have my sympathy. It is a heartfelt position with me. I wish there were some way to take care of the matter now. However, we must look into it further, and it is only for that reason that I must make the point of order. I want to say again that no two men have served their constituency better than have the two distinguished Senators from Kansas.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. CARLSON. Yes.

Mr. McKELLAR. I include in that statement also the distinguished Senator from Missouri [Mr. HENNINGS].

Mr. SALTONSTALL. Mr. President, those of us on this side of the aisle who sit on the Appropriations Committee feel the same way as the distinguished senior Senator from Tennessee has expressed himself. The great difficulty is to work out satisfactorily the problems which confront us in connection with this legislation.

Mr. CARLSON. Mr. President, I want the distinguished Chairman of the Committee on Appropriations to know that I appreciate very much his withholding the point of order. I wish to state very frankly that I regret sincerely that the proposal submitted by the junior Senator from Missouri was subject to a point of order, though I fully understand that it was under the parliamentary situation. However, I had hoped that by my amendment funds could be made available under the disaster loan provisions of the bill.

There are some facts which should be given consideration by the Senate in regard to the amendment which I have offered.

I will say very frankly that the increase from \$5,000,000 to \$8,000,000 is not a large sum of money. I hesitated to suggest it, but I did so for a very definite reason. The American Red Cross, which has rendered outstanding service in the area which suffered so disastrously, has spent between \$8,000,000 and \$10,000,000 in relief work. They are now beginning to close up their operations. A large number of families in the area who have been depending on the Red Cross must have some outside aid and some outside assistance.

I had hoped that the funds which would be made available by the amendment could be used by State boards of social welfare, under the supervision of the Federal Security Administration in Washington. No one would receive any money from this fund unless need was shown. Thousands of families are going to be in the situation which the distinguished Senator from Missouri has mentioned. With winter approaching, I had hoped very much that we might be able to have the appropriation provided by the Senate this afternoon.

As I understand, the next bill we are going to consider on the floor of the Senate, will be the Mutual Security Appropriation bill. If I read it correctly, that bill contains an item of more than \$1,000,000,000—not a million dollars, but \$1,368,381,443 for economic relief for foreign countries.

What kind of economic aid? It is for the same type of aid, in many instances—in fact, in most instances—we are trying to obtain for our own citizens.

I say very sincerely that it makes it difficult for those of us who have supported bills appropriating money for the relief of citizens of foreign countries to continue to support them when we cannot obtain the same type of relief for our own citizens.

I appreciate there is not much use laboring the amendment which I have presented this afternoon. I have presented the facts in connection with it. I know there are certain rules of the Senate, and that under the rule the amendment is subject to a point of order.

I appreciate the kindness on the part of the chairman of the committee in withholding his point of order, so that I may express myself and give my views on the amendment, and at least appeal to the Senate to give serious considerations to it. I would appeal to the distinguished chairman of the committee that he not make the point of order which he was good enough to withhold.

Before I yield the floor I desire to say to the distinguished chairman and the members of his committee that we appreciate their problems, too, and that we appreciate the fact that they have provided funds for the flood sufferers through the Reconstruction Finance Corporation, the Farmers Home Loan Administration, and the Department of Agriculture. Those funds will be helpful. However, there is still a great segment of population in the flood disaster areas which will not receive any benefits from those funds.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kansas [Mr. CARLSON].

Mr. LANGER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LANGER. If we could get unanimous consent with respect to the two amendments, would the Senator from Tennessee withhold his point of order?

Mr. McKELLAR. I do not understand what the Senator means.

Mr. LANGER. If we obtain unanimous consent to have these two amendments adopted—and if there ever were two amendments that should be adopted in behalf of suffering humanity, these are such amendments—would the Senator from Tennessee be willing to withdraw his point of order? If we obtain unanimous consent, will the distinguished Senator withhold his point of order?

Mr. McKELLAR. Mr. President, the Senator from North Dakota is correct in what he says about the merits of this particular matter. There is no doubt about the merits.

Our committee has tried in every way under heaven to help the people who are involved in this particular situation. There are 21 members of the Appropriations Committee, and I think every one of them feels the greatest sympathy for

these people. The Congress has appropriated \$25,000,000 for their help; and the measure now before the Senate, when it is enacted, will afford additional help to the flood sufferers.

I hope the Senator from North Dakota will understand that I cannot accede to his request, although it is the rarest thing in the world for me to disagree to such a request.

Mr. LANGER. The Senator from Tennessee is such a big-hearted man that I thought he would not object.

Mr. McKELLAR. My committee has decided what position we should take, and I must follow the committee's decision.

I wish to say to the Senator from North Dakota that if he would like to speak on the joint resolution, inasmuch as his State is not far away from the area which was so severely damaged by the great flood, I shall be very happy to withhold the objection until he has spoken.

Mr. LANGER. My sole interest in this matter arises because of the fact that 2 years ago the people of my State were afflicted by the same kind of flood, and I know the suffering which occurred at that time. My heart goes out to the people in the States affected by the recent floods. Does not the Senator think that if we could stretch a point and could obtain unanimous consent that the point of order not be raised, we would be providing something which the people of those States—and North Dakota is not one of them—should have? I believe that they should have it.

Mr. McKELLAR. I feel exactly as does the Senator from North Dakota; but under the rules of the Senate it is my duty to make the objection, and I do object.

The PRESIDING OFFICER. The question is on agreeing to the amendment submitted by the Senator from Kansas.

Mr. McKELLAR. Mr. President, I now make the point of order against the amendment.

The PRESIDING OFFICER. The Chair understands that there is no budget estimates for the amendment, and that the amendment does not carry out the provisions of any existing law. The amendment, therefore, is in violation of paragraph 1 of rule XVI of the Rules of the Senate. Accordingly, the Chair sustains the point of order.

The joint resolution is open to amendment.

If there is no other amendment to be proposed, the question is on the third reading of the joint resolution.

The joint resolution was ordered to a third reading and was read the third time.

The PRESIDING OFFICER. The joint resolution having been read the third time, the question is, Shall it pass?

Mr. BUTLER of Maryland. Mr. President, I ask for the yeas and nays on this question.

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is, Shall the joint resolution pass? [Putting the question.]

Mr. BUTLER of Maryland. Mr. President, I suggest the absence of a quorum.

Mr. LANGER. Mr. President, the suggestion of the absence of a quorum comes too late; I raise the point of order that the vote is in process of being taken.

Mr. CASE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from South Dakota will state it.

Mr. CASE. The point of order raised by the distinguished chairman of the Appropriations Committee disposed of the amendment proposed by the distinguished Senator from Missouri [Mr. HENNINGSS]; did it not?

The PRESIDING OFFICER. That is correct.

The question is on the passage of the joint resolution.

Mr. BUTLER of Maryland. Mr. President, I withdraw my suggestion of the absence of a quorum.

The PRESIDING OFFICER. The suggestion of the absence of a quorum has been withdrawn.

The question is, Shall the joint resolution pass?

The joint resolution (H. J. Res. 341) was passed.

REVENUE ACT OF 1951—APPOINTMENT OF CONFEREES

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives insisting upon its disagreement to the amendments of the Senate to the bill (H. R. 4473) to provide revenue, and for other purposes, and requesting a further conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. GEORGE. I move that the Senate insist upon its amendments, agree to the request of the House for a further conference, and that the Chair appoint the conferees on the part of the Senate.

In that connection, I should like to say that the Senator from Colorado [Mr. JOHNSON], who has served as a conferee, is absent from the city, and request is made that the Senator from Virginia [Mr. BYRD] be appointed in the place of the Senator from Colorado [Mr. JOHNSON].

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Georgia [Mr. GEORGE].

Mr. SALTONSTALL. Mr. President, will the Senator from Georgia yield?

Mr. GEORGE. Yes.

Mr. SALTONSTALL. The purpose of the action which the Senator from Georgia suggests is that a further conference may be had on the tax bill, the conference report on which was rejected yesterday by the House. Is that correct?

Mr. GEORGE. The House asks for a further conference. The purpose of my motion is that the Senate insist upon its amendments, agree to the request of the House for a further conference, and that the Chair appoint conferees on the part of the Senate.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Georgia [Mr. GEORGE].

The motion was agreed to; and the Presiding Officer appointed Mr. GEORGE, Mr. CONNALLY, Mr. BYRD, Mr. MILLIKIN, and Mr. TAFT conferees on the part of the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Snader, its assistant reading clerk, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1335) to readjust the size and weight limitations on fourth-class (parcel-post) mail.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4386) making appropriations for the civil functions administered by the Department of the Army for the fiscal year ending June 30, 1952, and for other purposes, and that the House had receded from its disagreement to the amendment of the Senate numbered 9 to the bill, and concurred therein.

APPROPRIATIONS FOR CIVIL FUNCTIONS—CONFERENCE REPORT

Mr. McKELLAR. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4386) making appropriations for the civil functions administered by the Department of the Army for the fiscal year ending June 30, 1952, and for other purposes. I ask for its immediate consideration.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4386) making appropriations for the civil functions administered by the Department of the Army for the fiscal year ending June 30, 1952, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 3, 13, and 14.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 8, 10, 12, and 15, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: Restore the matter proposed to be stricken by said amendment amended to read as follows: "Provided further, That, during the current fiscal year, such appropriations shall not be transferred to or used to start or resume any project for which funds were not allocated for construction in the preceding fiscal year; but this proviso shall not apply to any project for which funds are provided in this act"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: In lieu of the matter proposed by said amendment insert "for payment annually of tuition fees of not to exceed eighteen student officers of the Corps of Engineers at civil technical institutions under the provisions

of section 127a of the National Defense Act, as amended (10 U. S. C. 535);"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$192,657,613"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$1,725,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$316,544,100"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$60,500,000"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows: In lieu of the matter proposed by said amendment insert:

"Sec. 105. No part of the money appropriated by this Act which is in excess of 75 per centum of the amount required to pay the compensation of all persons the budget estimates for personal services heretofore submitted to the Congress for the fiscal year 1952 contemplated would be employed by the Department of the Army from appropriations for civil functions during such fiscal year in the performance of—

"(1) functions performed by a person designated as an information specialist, information and editorial specialist, publications and information coordinator, press relations officer or counsel, photographer, radio expert, television expert, motion-picture expert, or publicity expert, or designated by any similar title, or

"(2) functions performed by persons who assist persons performing the functions described in (1) in drafting, preparing, editing, typing, duplicating, or disseminating public information publications or releases, radio or television scripts, magazine articles, photographs, motion pictures, and similar material,

shall be available to pay the compensation of persons performing the functions described in (1) or (2)."

And the Senate agree to the same.

The committee of conference report in disagreement amendment numbered 9.

KENNETH McKELLAR,
CARL HAYDEN,
ALLEN J. ELLENDER,
SPESSARD L. HOLLAND,
MILTON R. YOUNG,
GUY CORDON,
WILLIAM F. KNOWLAND,

Managers on the Part of the Senate.

CLARENCE CANNON,
JOHN H. KERR,
LOUIS C. RABAUT,

Managers on the Part of the House.

Mr. SALTONSTALL. Mr. President, I inquire if the conference report is a unanimous one on the part of the conferees?

Mr. McKELLAR. I understand that it is unanimous, insofar as the report on the bill is concerned. Some suggestion was made about another bill, and

the conferees may not have been unanimous as to that.

Mr. SALTONSTALL. I have no objection to the consideration of the conference report at this time.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee?

There being no objection the Senate proceeded to consider the report.

The PRESIDING OFFICER. The question is on agreeing to the report.

Mr. CASE. Mr. President, I should like to ask one or two questions about the conference report.

Mr. McKELLAR. Yes, indeed.

Mr. CASE. I should like to ask the distinguished chairman of the Appropriations Committee what the conferees agreed upon with respect to the Missouri Basin flood-control projects known as the Gavin's Point Dam, at the edge of Nebraska and South Dakota; the Oahe Dam and the Fort Randall Dam, in South Dakota; and the Garrison Dam, in North Dakota.

As the Senator from Tennessee knows, those dams are the backbone of the program to prevent future floods of the kind which recently occurred. This is a flood-prevention program, and I should like to have the RECORD show just what the conferees did in regard to those matters.

Mr. McKELLAR. For the Gavins Point Dam, \$2,000,000 is appropriated to initiate the work.

Mr. CASE. That appropriation will initiate the work on that dam, will it not?

Mr. McKELLAR. Yes; it will initiate the work.

Mr. CASE. That is the regulating dam which is necessary below the high dams.

Mr. McKELLAR. Yes; it is the necessary dam there.

I think the Senator will be pleased with what was done by the conferees; at any rate, I hope he will be.

Mr. CASE. I appreciate what the conferees did.

Mr. McKELLAR. The conferees had very vigorous and active sessions—not merely one session, but probably a half a dozen or more sessions. There were quite a number of them. However, finally we reached agreement.

I will say that the main source of trouble was what was called the Tuffles Creek Dam, in northern Kansas. That particular dam is regarded by the Corps of Engineers as, shall I say, the central part of our defense against high waters in all the area which was flooded recently. However, as we had to say to the Senator from Kansas a little while ago, there was no budget estimate in that case and there was no authorization in that case. So the conferees on the part of the Senate had to yield.

I see in the Chamber at this time the very distinguished Senator from Oregon [Mr. CORDON] who is my very fine friend. He takes a great deal of interest in all these matters, and he took a great deal of interest in this particular measure. I am sure he will endorse what I say about it.

We had more trouble in the case of that particular dam than we had in the case of any other item in the bill. In-

deed, we came close to failing to arrive at a conference report because of that particular dam. However, finally the conferees got together, by leaving out at this time the provision in regard to that dam, but with the understanding that the Corps of Engineers will immediately take up this proposal and will report it to the Congress at the very earliest moment, and with the assurance that the Congress would undertake to give those who may be affected the protection they are entitled to have.

We were in constant touch with the Senators from Kansas, who were helpful in every way possible, and with other Senators who were interested, including the Senator from South Dakota [Mr. CASE], who, although more interested in another dam, was interested in the whole question.

Mr. CASE. Yes. Mr. President, the dams on the upper reaches of the Missouri River are involved, because if those dams are completed and closed, then the water will be held back, so that when the water comes in from the Kaw and the other tributaries to the Missouri lower down, the channel will be able to accommodate it. So the dams on the upper Missouri will operate beneficially in two ways.

Mr. McKELLAR. Yes, they will help very much.

Mr. CASE. Mr. President, I now have in my hand a copy of the printed conference report on the bill. In view of the very wide and great interest in the individual allocations of funds, with respect both to rivers and harbors and flood control in general, I think it would be most appropriate in considering the conference report to have those two tables appear in the RECORD. I realize that the report will be printed as a whole.

Mr. McKELLAR. I think I shall ask unanimous consent at this point that the entire report in regard to this matter be printed in the body of the RECORD, and I think it will be better for the project and better for the country to have everyone know exactly what the conferees did. I hope I may have unanimous consent to do that.

The PRESIDING OFFICER. Is there objection?

Mr. CORDON. Reserving the right to object—and I shall not object—I call attention to the fact that the full conference report appears on pages 13576 to 13578, inclusive, of yesterday's RECORD of the House proceedings. I hope that may be sufficient.

Mr. McKELLAR. I now understand that the report will be printed again in the Senate proceedings of today. I withdraw my request, of course, and I shall merely refer to the report.

Mr. CASE. I know the report was printed in the RECORD as of yesterday, but we are here considering the report. I did not suggest that the entire report be reprinted in the RECORD at this point, but it seems to me it would answer the direct question I have raised with respect to two or three dams if only the two tables might here appear as a part of our consideration of the report. I ask unanimous consent that the two tables only appear at this point in the RECORD.

There being no objection, the two tables were ordered to be printed in the RECORD, as follows:

2. For rivers and harbors, \$192,657,618, to be allocated in the following manner:

Rivers and harbors Project	Amount recommended
Alabama:	
Apalachicola, Chattahoochee, and Flint Rivers, Ala., Fla., and Ga.: Jim Woodruff lock and dam, Florida.....	\$6,300,000
Buford Dam, Ga.....	900,000
Black Warrior, Warrior, and Tombigbee Rivers, Ala., and Miss.: Demopolis lock and dam, Alabama.....	4,000,000
Alaska: Wrangell Narrows.....	247,000
Arkansas: Arkansas River and tributaries, Arkansas and Oklahoma.....	4,100,000
California: San Diego River and Mission Bay.....	510,000
Florida:	
Jacksonville to Miami waterway.....	2,150,000
Jacksonville Harbor.....	1,787,000
Lake Worth Inlet (Palm Beach Harbor).....	238,843
Georgia: Savannah Harbor.....	370,000
Illinois:	
Illinois waterway (exclusive of Calumet-Sag Channel).....	300,000
Mississippi River between Ohio and Missouri Rivers: Chain of Rocks Canal.....	5,000,000
Mississippi River between Missouri and Minneapolis:	
(A) St. Anthony Falls, Minn.....	1,500,000
(B) Other work, including Clinton, Iowa.....	357,770
Ohio River open-channel work.....	175,000
Iowa: Missouri River from Kansas City, Mo., to Sioux City, Iowa.....	4,000,000
Louisiana:	
Calcasieu River and Pass.....	1,025,000
Gulf Intracoastal Waterway.....	4,400,000
Pearl River, La. and Miss.....	987,000
Maryland: Baltimore Harbor and channels.....	800,000
Massachusetts: Fall River Harbor.....	200,000
Michigan: St. Marys River.....	750,000
Mississippi: Harrison County shore protection.....	773,000
Missouri: Missouri River, Kansas City to mouth.....	2,300,000
Montana: Missouri River at Fort Peck.....	944,000
New Jersey:	
Newark Bay, Hackensack and Passaic Rivers.....	732,000
New York and New Jersey Channels.....	1,414,000
New York:	
Buffalo Harbor.....	305,000
Hudson River Channel.....	250,000
New York Harbor, entrance channels and anchorage areas.....	400,000
Ohio: Cleveland Harbor.....	1,000,000
Oregon:	
McNary lock and dam, Oregon and Washington.....	42,900,000
The Dalles lock and dam, Oregon and Washington.....	4,000,000
Pennsylvania:	
Monongahela River, Pa. and W. Va.: Locks 2, Pennsylvania and Morgantown lock and dam, West Virginia.....	4,000,000
Schuylkill River (culm removal).....	1,900,000

Public Law 202 - 82d Congress
Chapter 555 - 1st Session
H. J. Res. 341

JOINT RESOLUTION

Making appropriations for rehabilitation of flood-stricken areas for the fiscal year 1952, and for other purposes.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1952, the following sums: Flood Rehabilitation Act, 1952.

DEPARTMENT OF AGRICULTURE

Conservation and use of agricultural land resources: For an additional amount, \$16,480,000 including the furnishing of services, materials, and payments for conservation and land restoration measures, to enable the Secretary to carry out flood assistance and rehabilitation in agricultural areas, damaged by excessive rains, runoff, and floodwaters, designated by the Secretary of Agriculture as disaster areas under Public Law 38, approved April 6, 1949: *Provided*, That this appropriation may be expended without regard to the adjustments required under section 8 (e) of the Soil Conservation and Domestic Allotment Act (16 U. S. C. 590h) and may be distributed among States without regard to other provisions of law: *Provided further*, That the administrative expense limitations provided under this appropriation item in the Department of Agriculture Appropriation Act, 1952, may be increased by not more than \$1,780,000, of which not more than \$180,000 may be made available to State Extension Services to provide assistance through the Cooperative Agricultural Extension Service. 63 Stat. 43.
12 U.S.C.
§§ 1148a-1-
1148a-3.
52 Stat. 34.
65 Stat. 236.
65 Stat. 615.
65 Stat. 616.

Soil Conservation Service: For an additional amount for salaries and expenses, \$1,960,000, for emergency restoration of channel capacity in tributary stream channels and waterways, and related measures, affecting more than individual farms, in agricultural areas, damaged by excessive rains, runoff, and floodwaters, designated by the Secretary of Agriculture as disaster areas under Public Law 38, approved April 6, 1949. 63 Stat. 43.
12 U.S.C.
§§ 1148a-1-
1148a-3.

Farmers Home Administration: For an additional amount for the Disaster Loan Revolving Fund established under Public Law 38, approved April 6, 1949, \$30,000,000.

DISASTER RELIEF

For an additional amount for "Disaster relief", \$5,000,000.

RECONSTRUCTION FINANCE CORPORATION

Disaster loans: Section 4 (c) of the Reconstruction Finance Corporation Act, as amended, is hereby amended by striking out "\$40,000,000" and inserting in lieu thereof "\$100,000,000": *Provided*, That any loan, including renewal or extension thereof, under section 4 (a) (4) of such Act for acquisition or construction (including acquisition of site therefor) of housing for the personal occupancy of the applicant, may be made for a period of not to exceed twenty years. 62 Stat. 263.
15 U.S.C.
§ 604(c).

Administrative expenses: The amount authorized for administrative expenses of the Reconstruction Finance Corporation as set forth in the Supplemental Appropriation Act, 1952, is hereby increased to \$17,750,000.

Short title.

SEC. 102. This Act may be cited as the "Flood Rehabilitation Act, 1952".

Approved October 24, 1951.